FINANCIAL TIMES

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NEWS SUMMARY

GENERAL

Labour MP in votes row dies

Mr. Hugh Delargy, chairman of the Commons Selection Committee, died yesterday, little more than 12 hours after his controversial speech defending the decision to give Labour a majority of one on standing committees, despite the Government's loss of an overall majority.

The increasingly bitter conflict between the Government and the Opposition over manning of the standing committees, which consider Government legislation, has now been thrown into confusion, writes Richard Evans.

Conservative leaders have decided to withhold guerilla tactics aimed at disrupting legislation in the hope that a compromise formula will be reached to give parity on the standing committees. They cancelled plans for a second debate last night, when they had hoped to reverse the Tories' six-vote defeat on Monday.

Mr. Delargy had insisted that Labour members of the selection committee had not bent the rules or done anything dishonourable. A senior Labour backbencher, Mr. Tom Swain (Derbyshire NE) declared: "The Tories killed Hugh Delargy. He was politically assassinated. This is something the Tories can never be forgiven for." Back Page

23 die in Dutch train crash

The Rhine Express from the Hook of Holland crashed head-on into a commuter train at Schiedam, Holland, killing 23 people, including schoolchildren, and injuring many more. The driver, realising that disaster was inevitable on the single track, leapt to safety from the slow-moving train seconds before the impact.

Top of the League

Liverpool pipped Queen's Park Rangers to win the First Division League championship when they beat Wolves, who were relegated, 3-1.

Murder charges

A number of men in custody are expected to be charged with murders and explosions, including the deaths of Ross McWhirter and Professor Fairley and the bomb at Scott's Restaurant, when they appear in court in London later this week.

Award upheld

A £35,000 libel damages award to Lord Bernstein, 76-year-old chairman of Granada TV, was upheld by the Appeal Court, which dismissed an appeal by The Observer seeking a retrial of the action. The action arose from an article by its city editor.

Troops to quit

The Army's Spearhead battalion of 500 men drafted into South Armagh in January to combat sectarian killings is to be withdrawn to-day. Page 12

Briefly . . .

Pilot was killed when his single-seat Hunter jet crashed in low hills not far from Aberystwyth.

In Zambia, 11 people died when a Canadian Twin Otter aircraft crashed during a demonstration flight south of Lusaka.

Angolan trial of 13 foreign mercenaries, including nine British subjects, will start on June 8.

...ton boy, taken into council care because of his parents' insistence that he attend a grammar school, started at a comprehensive, Icknield High School, yesterday.

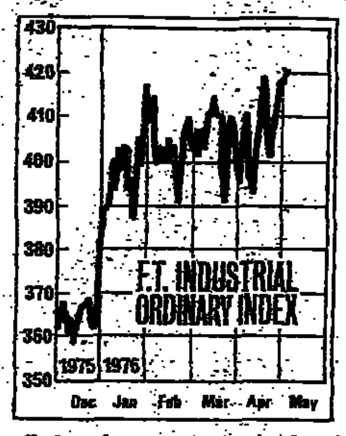
Taxi drivers halted the Greater London Council annual meeting by protesting against a "speed bus" plan.

Mr. Reginald Maudling, Shadow Foreign Secretary, is to tour Southern Africa later this month, when he will have extensive talks on Rhodesia.

BUSINESS

Equities at new 1976 peak of 420.8

● EQUITY leaders made a late rally on better sterling and an optimistic CBI industrial survey. The FT 30-share Index, off 2 points at 1 p.m., closed 1.6 higher on the day at a new peak for the year of 420.8.



● GILTS rose ½ at the short end of the market, while longer-dated stocks eased.

● STERLING largely recovered to $1.8275, off 10 points on the day, after falling to a low of $1.8145. French franc and Italian lira weakened. Sterling's trade-weighted depreciation was unchanged at 37.5 per cent., while the dollar's narrowed to 1.65 (1.75) per cent.

● INVESTMENT DOLLAR premium reached a peak of 127½ per cent. before closing at 125 per cent., up 3¼ points.

● GOLD fell $¾ to $128.

● WALL STREET rose 3.1... to 993.70.

● WEST GERMAN Bundesbank raised bank minimum reserve requirements in the first restrictive move since the economy started to recover. Page 7

● SAUDI ARABIA still plans to freeze oil prices until the end of the year and will fight any move for an increase at the OPEC conference at Bali, Indonesia, on May 27, said Oil Minister Sheikh Yamani.

Chrysler goes £35m. in red

● CHRYSLER U.K., which is being propped up by a £162m. Government support operation, announced a net loss of £35.5m. for last year, double the previous year's loss. Mr. John Riccardo, Chrysler chairman, said he also expected a significant loss this year. Back Page

● PRICE OF SCRAP is stabilising and BSC may not have to impose its proposed 10 cent. steel price surcharge this summer, said Mr. Douglas Freeman, British Scrap Federation president. Page 12

● MRS. KATE LOSINSKA, ousted as president of the Civil and Public Services Association on Monday, topped the poll for the union's 26-member national executive. The Left-wing majority was narrowed to 14-12. Page 13

● AUTOMATIC discharge of bankrupts, introduced into the Insolvencies Bill by Government amendment yesterday, is a step towards cutting the workload and cost of the insolvency service. News analysis, Page 11

● STOCK EXCHANGE turnover last month, restrained by the sterling crisis, contracted a further £1.3bn. to £6.8bn., compared with January's record of £16.8bn. Page 29

● MOTHERCARE boosted pre-tax profit for the year to March 27 to a record £8.53m. (£7.45m.) on higher sales of £59.04m. (£50.47m.). Page 25 and Lex

● TRICENTROL plans to raise £4.5m. in a rights issue to help finance its offshore programme. It is also selling its interests in two North Sea blocks to concentrate on developing its share of the Thistle field. Pages 11 and 20

CHIEF PRICE CHANGES YESTERDAY

Prices in pence unless otherwise indicated)

RISES

Treasury 9¾pc 1981	£94⅝	+ ¼
Aust. and NZ Bank	463	+ 10
Barlow Rand	218	+ 8
Bilton (P.)	158	+ 5
Broken Hill Prop.	780	+ 20
Brown Bros.	15½	+ 1½
Clarke and Fenn	69	+ 5
Clayton Dewandre	85	+ 4
Daily Mail "A"	194	+ 8
Davies and Newman	102	+ 6
Dawson Intnl.	53	+ 3
... Hldgs.	242	+ 4
... Fields Prop.	75	+ 5
...ous (E. E.)	58	+ 10
...ings (A. V.)	154	+ 6
...h (L.)	175	+ 15
...rie	111	+ 5
... Products	86	+ 5
... Oil	99½	+ 3½
Porter Chadburn	54	+ 12
Stag Furniture	108	+ 4
Tube Invest.	378	+ 4
BP	663	+ 8
AM and S	200	+ 7
CRA	315	+ 20
Geduld Invest	270	+ 20
Randfontein Ests.	£16¾	+ 1¼
Stilfontein	218	+ 10

FALLS

Allied Polymer	62	− 4
Fisons	395	− 5
Furness Withy	221	− 7
Reed Executive	45½	− 4½
Smith and Nephew	52	− 3½
Spear and Jackson	81	− 6
Tobacco Secs. Tst.	300	− 7
Tricentrol	64	− 6
Marievale	145	− 10
Pres. Steyn	840	− 20
St. Helena	£16	− ⅛
Western Deep	£10¼	− ⅝

CBI survey shows economic revival well under way

BY ADRIAN HAMILTON

The revival in industrial activity in Britain is now well under way; and there are some features which may make the upturn more firmly based than in the past, according to the latest CBI quarterly Industrial Trends Survey published yesterday.

The survey comes out at a time when both Government statistics and various institutional surveys all suggest that the long-awaited economic turnaround began to take place during the first quarter of the year.

The upturn on this occasion seems to be led by export demand rather than domestically-induced inflation.

The CBI survey also suggests that, in the short-term at least, it seems unlikely to falter through the over-heating and supply bottlenecks which have so bedevilled past resurgences in activity.

Instead, business appears to be looking for a much more gradual revival, with a considerable improvement in its liquidity situation.

Investment intentions are rising, and—unusually for this phase of the cycle—the capital goods sectors appear to be following closely on the lead of consumer goods.

But, along with the Government itself, the CBI is concerned at the possibility of overheating at a later stage in the cycle, bringing with it the seeds of its own destruction.

The sudden easing in the recent unemployment figures seems to have caught industry by surprise and, like almost everybody else, it remains unsure of the future course of the crucial savings ratio, which has so far remained fairly high.

Should incomes fail to be as tightly squeezed as the Chancellor's present pay negotiations with the unions imply, and should the Government not cut back further its own spending and borrowing, then the CBI fears the revival could be cut short next year, as companies are squeezed for cash and the diversion of resources into exports is reversed by domestic consumer demand.

For the moment, however, the results of its latest survey—based on questionnaires sent out immediately after the Budget—show that the revival in industrial activity and confidence is occurring very much according to the predictions of the last survey in January.

With few exceptions, companies report higher output and more orders over the last four months than at any time since the beginning of the recession in 1973/74.

They also record growing confidence that the increase will continue to gather pace during the next four months, albeit from a very low base.

The CBI warns that confidence remains tentative and that, in the face of widespread continuing overcapacity of plant, no dramatic upturn in manufacturing investment or employment can be expected.

It is particularly encouraged, however, that the main engines of this revival appear to be the combination of an end to destocking and an exceptionally rapid growth in export orders and deliveries.

Exports rather than domestic demand appear to be leading the consumer goods sector out of the depression, although capital goods exports are also beginning to revive.

While the survey gives no precise details on the impact of the devaluation of sterling, the initial evidence from the replies indicates that companies are using devaluation to raise the sterling value of exports and hence their own profits; and that British goods are becoming more competitive overseas.

Industry is much more cautious in its assessment of employment and investment prospects—both factors of special interest to the Chancellor at the moment.

Initial evidence suggests that trends on these fronts are getting "less bad," that an upturn in investment could occur soon and that rapid labour shedding is now at an end although unemployment in manufacturing industry could continue to rise fairly slowly for some months.

On the bleaker side, the majority of companies answering the questionnaires foresee no easing of cost pressures.

Details Page 28 ● Editorial comment Page 18

Benn takes over North Sea oil negotiations

BY RICHARD EVANS, LOBBY EDITOR

MR. ANTHONY WEDGWOOD BENN, Secretary for Energy, is to take over Ministerial responsibility for negotiations with the oil companies on North Sea exploration from Mr. Harold Lever, Chancellor of the Duchy of Lancaster, the Prime Minister announced yesterday.

Mr. Callaghan stressed in a written Parliamentary answer that the adjustment of responsibilities did not imply any change in the Government's stated policy on participation, but the increased responsibility for Mr. Wedgwood Benn inevitably caused some surprise among MPs.

Relations between Mr. Callaghan and the Energy Secretary have been strained recently because of the latter's abstention at last week's meeting of the Labour Party's National Executive Committee on a resolution highly critical of the Government's economic policy. The Prime Minister gave a public warning that in future Mr. Wedgwood Benn would have to heed the doctrine of Cabinet responsibility.

The change, it was pointed out in Whitehall, shows Mr. Callaghan has every confidence in Mr. Wedgewood Benn to handle the renegotiations. But the Energy Secretary's critics pointed out that the guidelines for North Sea oil participation are now well established and it would be very difficult for him to change the direction of Government policy.

In practice the Energy Secretary has usually chaired the inter-departmental committee which has considered oil participation. The change takes this role a stage further.

Responsibility for oil participation was originally given to Mr. Lever and to Mr. Edmund Dell, the Paymaster-General, because Mr. Eric Varley, former Secretary for Energy, was heavily engaged in a whole series of complex policy decisions in other fields.

Senior officials of the Department of Energy have always been jealous that responsibilty for the negotiations went outside the department.

In his written reply, Mr. Callaghan points out that the main burden of the oil negotiations had fallen increasingly on the Energy Secretary and his officials. He had therefore decided to reflect this change in the character of the negotiations in the distribution of Ministerial responsibility.

The Energy Secretary would therefore formally become responsible for taking the lead in conducting the negotiations and would answer questions in the Commons. Mr. Lever would continue to be closely associated with him in the negotiations with the oil companies and the role formerly performed by Mr. Dell would now be fulfilled by Mr. Joel Barnett, Chief Secretary to the Treasury.

There will be no change in the responsibilities of Dr. Dickson Mabon, recently appointed Minister of State at the Department of Energy, who has a

Continued on Back Page

Loss of Eurobond sales fear

BY MARY CAMPBELL

NEW EXCHANGE control instructions sent out by the Bank of England could result in London losing a proportion of its Eurobond business to financial centres abroad, London banks stated yesterday.

The new instructions involve the possibility, the banks maintain, that London banks may be put at a disadvantage over competitors elsewhere in the selling of new Eurobond issues.

This threat comes only a week after London banks lost a positive advantage they had previously enjoyed on another aspect of their Eurobond business, underwriting.

The aim of the latest instructions, sent out on April 30, is to clarify some problems arising from the amendments to the exchange control regulations which were issued on April 22. More specifically they reinstated the rule whereby banks were required to surrender the dollar premium on commissions they earned from selling new Eurobond issues.

However, the London banks say that the new instructions are phrased differently and contain a positive definition which did not previously exist. The change would mean that banks based in London would make less profit from selling new Eurobond issues than banks elsewhere.

The result of this, they say, is that banks will in future channel this aspect of their business through subsidiaries elsewhere in the world.

Sales of new Eurobond issues are conducted through selling groups consisting of commercial and investment banks and stockbrokers. Members of selling groups earn a net profit of 1 per cent. on the value of the bonds they sell. It is this profit which would be lost to London if the business was cannelled elsewhere.

The Bank of England says the new instructions involve no change, though it has indicated its willingness to discuss any difficulties experienced by individual banks.

In general, the premium currency regulations have made London more attractive for Eurobond market activities than other financial centres. In the past underwriting commissions have been worth more to London banks than to banks elsewhere because they were treated as investment currency. This made them worth considerably more than their face value in that they attracted the dollar premium. Banks recognise however, that the abolition of this advantage as part of the April 22 changes merely puts them on a par with banks elsewhere as far as underwriting is concerned.

The new instructions were contained in a letter issued by the Bank's Exchange Control Department to clarify the section on underwriting in Supplement 22 to the EC7 directive which was issued on April 22.

FEATURES

ON OTHER PAGES

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Pay deal details due out to-day

By Philip Rawstorne and Roy Rogers

TUC LEADERS and Government Ministers were last night hammering out the final details for a further period of voluntary wage restraint to follow the £6 policy, which expires at the end of July.

The TUC general council is expected to endorse the proposals to-day and recommend their acceptance at a special TUC Congress being arranged for mid-June.

Until the Congress the policy—due to be revealed to-day—will be the subject of rival propaganda campaigns and considerable criticism at some individual union conferences.

Judging from last week's TUC general council meeting, when several left-wingers expressed reservations at the way the policy was developing, but only one came out against an agreement, there seems little doubt that the package will win the approval of the council.

When the details are disclosed later to-day, they are expected to include a percentage pay norm of about 4 per cent, together with minimum and maximum cash limits and most, if not all, of the £1bn. tax concessions offered by Mr. Healey in his recent Budget.

The TUC also sought Government commitments to curb unemployment and control prices. As far as prices are concerned its pressure has certainly been successful. Mr. James Callaghan, the Prime Minister, told the Commons yesterday that the Government would retain a "substantial measure" of price control during the next year.

Discussions would begin with the Confederation of British Industry, the Retail Consortium and the TUC as soon as agreement had been reached on the new pay restraint policy, the Prime Minister said.

The TUC had been informed in general terms of the Government's intentions, but no detailed proposals had yet been worked out.

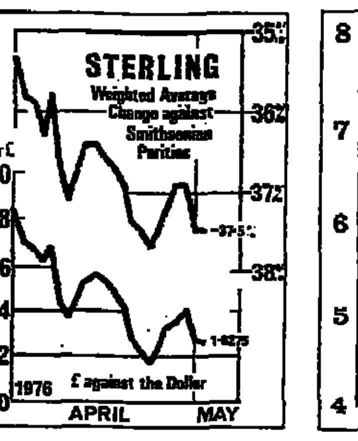
It seems likely that the existing Price Code will be modified after July to allow more flexibility.

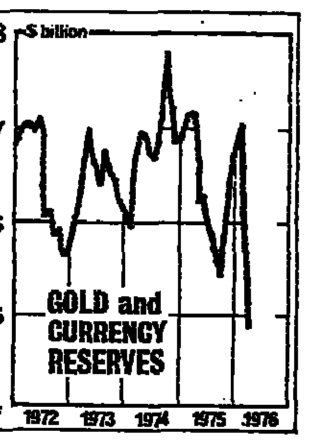
Though controls would be maintained on both individual prices and company profit margins, some of the more onerous effects of the code could be eased.

Mr. Callaghan angered Labour Left-wingers by stressing the importance of ensuring that the private sector was allowed to earn adequate profits so that the rate of investment could be increased.

Anticipating a speech later last night by Mrs. Margaret Thatcher, the Tory leader,

Continued on Back Page
Parliament Page 16





Reserves fall by over $1bn.

BY ANTHONY HARRIS

BRITAIN'S FOREIGN currency reserves dropped by $1.057bn. in April, as a result of what was evidently the most expensive support operation yet mounted for sterling since the pound was floated in 1972, bringing the reserves to $4.848bn.—their lowest level since 1970.

Britain will therefore draw the remaining standby of 700m. SDRs (approximately $800m.) arranged with the IMF, and announced in January, in the near future, the Chancellor told the House of Commons yesterday.

The April reserve loss was struck after an inflow of $429m. through public sector borrowing in foreign currency, bringing the total available for market intervention during the month to $1.486bn.

This compares with $1.277bn. in March, though the actual reserve drop in that month, at $1.119bn., was slightly higher. In the two months of sterling's heavy fall the authorities have therefore spent more than $2.6bn. in the markets.

Stringent

The official announcement was received with scarcely a flutter in the foreign exchange markets. Dealers had calculated the cost of official support at some $2bn.; and the official figure, which has probably been slightly reduced as a result of central bank transactions, was therefore much as expected.

The pound had fallen by more than two cents ahead of the figures—more on doubts about economic prospects than in fear of the reserve announcement—and subsequently recoverd in a quiet market to close almost unchanged at $2.2875.

The present low level of the reserves, equivalent to about six weeks' imports at recent rates, brings them back into a similar relation to trade which ruled for long stretches of the 1960s, but there is potential for further borrowing.

Apart from the $800m, which is now to be drawn, a further standby credit of approximately $360m. is available from the Fund as a result of this year's enlargement of quotas. Britain has not yet applied for this standby, but IMF officials will be in London for consultations next week.

Further IMF credit, totalling in the last resort some $4.8bn., would be available under increasingly stringent conditions; the Government would have to submit a Letter of Intent outlining a satisfactory programme aimed to eliminate the balance of payments deficit and probably, as in 1968, setting far tighter limits on the expansion of domestic credit.

However, Whitehall officials point out that there is no reason to suppose that such an application need be made in the near future. Virtually the whole of the April outflow and part of that in March is now attributed to "leads and lags"—the commercial covering operations by which traders insure against the risk of a further fall in the foreign value of sterling.

This means that most of the outflow was needed to finance the early payment of sums owing in foreign currency, and longer credit granted by U.K. exporters to foreign customers, and can be expected to flow back if and when calmer conditions restore a more normal pattern of payments.

In the longer run, however, the reserves are low when measured against a current account deficit which was running at more than $3bn. annually until recent months. Official forecasts suggest that the sharp improvement shown in recent months will be lost again when domestic demand in the U.K.—especially for industrial stocks—revives.

On the other hand, exports are so far growing substantially faster than was allowed for in the official forecast.

While the currency market has been much steadier for the last ten days, there is still no evidence of any solid demand for sterling.

£ in New York

—	May 4	Previous
Spot	$1.8255-8345	$1.8270-8280
1 month	0.94-0.89 dis	0.93-0.87 dis
3 months	2.56-2.51 dis	2.55-2.50 dis
12 months	7.455-5.5 dis	7.40-7.25 dis

Waste Ministry is urged by Rothschild

BY JAMES McDONALD

BRITAIN URGENTLY needs a Department of Waste, said Lord Rothschild, former head of the Government's "Think Tank" group, in London last night.

"It is hard to realise how much we waste in this country and, therefore, how much could be saved if serious action were taken to minimise waste," he said during the first Israel Sieff memorial lecture.

"I am not talking about re-cycling, but waste of the sort we all know about and of which countless examples are available. We'd better have 50 copies of that memorandum to be on the safe side: Why bother about the electric light when it uses so much less juice than the electric fire?"

The Department of Trade and Industry had estimated that, in 1971, corrosion cost the nation £1.37bn. "Corrosion chemistry is reasonably well advanced and, where our knowledge is insufficient, the research and development needed would be neither very expensive nor of the major breakthrough variety.

Wicked story

"That monstrous figure of nearly £1.5bn., five years ago, would be dwarfed if the whole wicked story of waste was quantified."

Lord Rothschild, who is chairman of the Royal Commission on Gambling, attacked "political advisers" whose position "combined the functions of lesser politicians with the salaries of higher civil servants."

The same political parties should be in office for longer, perhaps seven years, "so that there is a reasonable period in the middle when they can forget the shibboleths of the manifesto, the need to put everyone in a good temper before they vote, and get down to the business of being rational.

"Something really should be done about the problem of the party's first few months in office, which are without doubt the worst.

"The prolonged festival, a mixture of the madness of Mardi Gras and Auto da Fe celebrated by burning anything of a political character which is regarded as inimical, can be a great nuisance, to put it at its mildest.

"Governments can do dreadful things in their first heady months of office. I wish there could be a law against a new government doing anything during its first three or so months of existence."

Planners, although dealing with prediction, should keep out of the "futurology" business because it was concerned with improbable events.

"It should, for example, be possible to predict our oil requirement up to the year 2000, if one takes into account the alternative energy sources—coal, natural gas, wind, nuclear (perhaps) and wave power (I hope)—which will or should be available during the next quarter of a century.

"But the predictions, and the plans inferred from them, will be the result of analysing information which is available, or which it is reasonable to expect will become available, with a specified, if subjective, probability during the time under consideration."

Britain deserves a new image, says Mrs. Williams

BRITAIN has earned a new image and deserves to lose the old one of being on its last legs, the Prices Secretary, Mrs. Shirley Williams, said in London yesterday.

"It's the hardest thing in the world to get rid of an image once it has been settled," she told the Foreign Press Association. "Things which fit in with the image will be recorded and things which don't fit in will be disregarded."

Recalling comment about Mr. Healey's Budget offer of a tax concession dependent upon a pay limit agreement, Mrs Williams said: "I find the fact that this became the centre of controversy remarkable when the centre of consideration is really that we are discussing whether a figure of 3 per cent. on pay is possible when only a year ago there were discussions in the region of 30 per cent.

"Such things have simply been disregarded in discussion of this country."

Inflation in the six months ending in March had been 12.6 per cent. compared with 36 per cent. in the first half of 1975—leaving out seasonal foods.

But the world's currency markets and world's Press—"very much including our own"—had not given this achievement the credit it deserved.

SALEROOM BY MICHAEL THOMPSON-NOEL

Tsar's violin fetches £44,000

MUSICAL instruments called the tune at Christie's yesterday, where a Stradivari violin, made in Cremona in 1692, fetched £44,000—the third highest price obtained for a violin at auction, although well below the £84,000 paid at Sotheby's in 1971 for the "Lady Blunt" Stradivari.

Yesterday's violin (bought by Mr. Michael Brand), originally belonged to either Tsar Alexander II or III—history is unsure as to which—and subsequently belonged to the Russian violinist Eugen Maria Albrecht.

It was sold yesterday on behalf of the late Miss Joan Fleetwood-Hesketh whose mother, a talented musician, bought it in London in 1906. All told, Christie's sale of instruments, manuscripts, printed music and musical miscellanea totalled £94,786.

Second highest price among the 163 lots was the £17,000 paid by a New York dealer for an Italian School composite violin and bow, and the same dealer bought another two Italian School violins for £2,800 and £2,400.

A fellow New Yorker paid £2,100 for an interesting Venetian composite guitar, probably made in 1611 by a relative of Matteo Sella, while an autographed song manuscript by Felix Mendelssohn Bartholdy was bought privately for £1,300.

There was strong international bidding from New York, Tokyo, Germany and Holland; only 2 per cent. of the lots were unsold.

Things were more restrained at Sotheby's, where a sale of Oriental ceramics and works of art brought in £17,501, including £520 from a London dealer for a Ch'ing blue and white jar, £460 from an Australian buyer for a Ming blue and white dish of the 16th century, and £310 for a Chekiang Celadon saucer dish of the Ming dynasty.

A sale of furniture at Phillips totalled £49,173. Turpin paid £3,200 for a Queen Anne walnut secretaire cabinet while a Sheraton mahogany breakfast library bookcase fetched £2,500.

This faience model horn in the style of Moustiers comes up for sale at Sotheby's to-morrow.

RACING BY DARE WIGAN

Memory Lane's moment of truth

THE MOMENT of truth for Memory Lane comes this afternoon at Chester when this full sister to Mill Reef contests the Cheshire Oaks. She will have to win, and win well, if she is to have any prospect of being successful in the Oaks proper at Epsom on June 4.

At Epsom last month, Memory Lane won the Princess Elizabeth Stakes run over 8½ furlongs, but it was a workmanlike performance only, and some observers were unimpressed. On the other hand, she looked as though she neded some sun on her back and my guess is that she will have improved considerably.

Another who has been waiting for warmer weather is Noel Murless's filly, *Connaught Square*, who scored impressively from Cappucilli at the Doncaster St. Leger meeting last autumn, and if she is as good as her connections believe, she may upset the favourite.

Twelve months ago, *John Cherry* started co-favourite with Super Nova and Kambalda for the Ladbroke Chester Cup but ran atrociously.

Later in the season, however, he finished a good fourth behind Dakota in the Terry's All Gold Ebor Handicap at York and fully looked the winner of the SKF Cesarewitch at Newmarket until pulverised by the late burst of Shantalla.

With Piggott in the saddle he will be a firm choice to win this afternoon's marathon; and, provided that he is in the right mood, the task is not beyond him. He ran well behind last year's Ascot Gold Cup winner at Longchamps on April 4. The two most likely to cause him trouble are Coed Cochion and the Irish-trained Onward Taroo.

Judged on her second to Spring Frolic at Kempton last month, *Assured* looks the probable winner of the Roodeye Handicap, for Spring Frolic has since scored convincingly at Newmarket from Gray Baron with the remaining runners strung out a long way behind them.

Henry Candy, the trainer of Assured, may concede a double with Fair Head in the City Handicap. And *Mossberry*, a half-brother to Sauceboat, who lost ground at the start when third to Danestic and Illustrious Prince at the Newmarket Craven meeting, looks a sound proposition in the Northgate Stakes.

Earlier in the afternoon, *Gala Display* is likely to be too good for Jump To It and Shush in the Red Dragon Stakes. *Mistress Page*, another from a fleet of runners that Henry Candy has sent to the meeting, looks best in the Sefton Stakes.

At Salisbury, R. Hannon, whose two-year-olds continue in form, can take the Salisbury Stakes with *Royal Diver*, and the locally-owned *Sabula*, who ran consistently well last season, is likely to be suited by the six furlongs of the Oakley Handicap.

CHESTER

2.15—Gala Display**
2.45—Mistress Page
3.20—John Cherry
3.50—Connaught Square*
4.20—Assured
4.50—Fair Head
5.20—Mossberry***

SALISBURY

3.00—Royal Diver
4.00—Awash
5.00—Sabala.

National check on teaching methods urged

A NATIONAL monitoring system to check that children are learning the "three Rs" was called for yesterday by Mr. Barry Taylor, Somerset's Chief Education Officer.

He said that such a system was long overdue, and would dispel parents' doubts about modern teaching methods.

Mr. Taylor's remarks came after the recent Lancaster University report which said that children taught by formal methods learned more than those in progressive schools.

"I am not trying to undermine modern methods," Mr. Taylor explained, but there was sometimes a tendency to select a programme which "centred learning strictly according to its appeal to the children."

GARDENS TO-DAY

In the Islamic fashion

BY ROBIN LANE FOX

THE English drought has been running side by side with the spate of Islamic exhibitions. The two themees converge to persuade one who has recently been obsessed with the problems of dry weather that it is a fit moment to follow through a few of the threads of Islamic gardens. We have been shown bedouin tents, astrolabes and water clocks, and we have been offered the Rothschild's collection of Mogul miniatures. The Islamic imprint on Europe has been traced through book-bindings, carpet weaves and playing cards. Film makers who know no Arabic have discovered Islam as the mistress of craftsmanship or the friend of the natural world.

Here and there lies an exotic pattern or an incidental point of contact with the West, but the really serious business, the social and religious context of Islamic law and theology, resists a festival interest. If the world of Islam is to be seen from its fingers, then even the gardener may put in his word. "Not equal," as the Prophet himself put it, "are the possessors of the Fire and the possessors of the Garden. Those of the Garden, they shall be victorious." But where is there an Islamic garden on show?

Proof

Interest in the wide span of gardening in the world of Islam is nothing new. Visiting the courts of Muslim Spain, a medieval envoy from Europe was already struck by the patterns of the Arab gardens and took them as another proof that the Arabs of East and West were of similar stock. The terraced gardens of Cordova seemed an echo of Babylon's old Hanging Gardens, and Babylon was now the seat of an Islamic caliph. Muslim gardens, men thought, were the imprint of a living Babylon, carried across the Mediterranean. Unaware that the old Hanging Gardens had long since disappeared, they did not wonder, as modern critics must, whether the unity of Gardens in Islamic cities is in any way due to Islamic thought. Nor did they know the extent of the similarity. From Samarkand to Seville, gardens were laid in a recognisable pattern from the eighth century onwards, the one and only style in which gardening was carried on until the arrival of the British.

Those who like to break art into its origins and sources can still enjoy a long and happy search through the elements of Muslim landscapes. An Islamic garden centres on the use of water in fountains and narrow formal canals, a geometric ground plan, enclosed courtyards and shade from trees which grow into natural shapes. Paving or patterned pebble work would often serve as a surface in lands where lawns are impossible. Scents are valued and plants were not only medicinal of fruiting. These features can be divided between Persian, Mesopotamian and even late Roman and Hellenistic influence. The ideal of a terraced garden shaded by trees was as old as the monarchies of Babylon: the spreading of a river into four separate streams traces back to the imagery of Eden in the book of Genesis.

Scent

Influenced in turn by the Mesopotamian legacy, the Persians had already advanced it before the Arab conquest. They extended the care of the Fertile Crescent's garden style into the hunting parks of western Asia and the castles east of Hamadan. The Persians loved scents, flowers and trees in the enclosed game-parks or lesser gardens which they first named "paradises." Their development of the old garden traditions of the Babylonian court and temple was central to the style which their Arab conquerers later patronised. But the Arabs were already planting gardens before the styles of their Persian conquests are likely to have influenced them deeply. Settling in Syria and also in Spain, they must also have been faced with the *manor-farm* style of landscape which had flourished in late Roman Syria among trees, fish-ponds and terracing, while the style of the Roman villa had penetrated Roman Spain. The use of clipped Mediterranean evergreens in small courtyards may have descended in Arab gardens from this old Roman example: it can still be enjoyed in the Court of Myrtles in Granada's Alambra. The use of ponds in Syria and the viewing of nature from terraced hillsides may also owe something to the Greco-Roman example. Scenery and climate impose their own necessities, so these influences may not have been so decisive. Nor should we underestimate the interests of the Arabs themselves.

Bearing the idea of a Garden of Paradise for Muslim believers and the theory of a world of Islam as a garden guarded by Arab spears, Islamic courts were naturally keen to realise these images in gardens around the rulers. Practical matters intruded too. Their religion required regular washing, so the water-tank for ritual ablutions became central to their garden plans not only because of the Persian interest in streams and canals. I know of no Arab interest in transplanting their own desert flora or medicinal plants. They seized on the Persians' roses, jasmine, tulips and the citrus fruits brought into Iran from China. The flowers in the earliest Islamic gardens may have been more varied than we now imagine. Poetry and carpet patterns are likely to be limited to a stylised selection; the historians exaggerate numbers and achievements wildly, but there are hints that Arab patronage may have been remarkably broad. Abdar Rahman I, declared Emir of Andalusia in the mid eighth-century, sent agents from Spain to bring plants to his garden at Cordova from India, Egypt and Central Asia. Tantalisingly, this garden of the mid-eighth century is said to have been influenced by the garden which his grandfather enjoyed in Damascus, presumably in the first generation of Arab conquerors. The impression left by those Syrian gardens on conquerors from the towns and desert of the Arabian peninsula must have been enormous.

Much has been conjectured about the possible symbolism of the Muslim garden in the light of Islamic theology and thought. Sometimes, the shapes have a meaning, the division of a garden into eight parts being seen as a mirror of the eight parts of the Koran, the use of the octagon for the shape of the central water-tank being linked with the octagon as the squaring of the circle, the pattern of man's harmony with the circle of eternity.

Patterns

But the gardens of Islam were not puzzles nor curiosities only for those who like origins and ethnic analysis. Carpet-like patterns, poems and contemporary memoirs fill out the fine examples of the Muslim style which can be still visited in Cordova, Granada and Seville. These were the gardens of owners who loved scents, colours and especially textures, men who brought the ancestors of our yellow and crimson roses from Persia into Europe—and wrote nostalgically of the rainbow colours of a Persian tulip. Perhaps you still doubt the immediacy of such achievement to a gardener used to the British climate. But my favourite gardener of all is to be found on the edge of the Muslim world I must use next week to pay tribute to a man whom no museum-case can ever comprehend.

TV/Radio

† Indicates programme in black and white.

BBC 1

7.05 a.m. Open University (UHF only). 9.38 For Schools, Colleges. 10.45 You and Me. 11.00 For Schools, Colleges. 12.45 p.m. News. 1.00 Pebble Mill. 1.45 Mary, Mungo and Midge. 2.01 For Schools, Colleges. 3.30 Day and Night. 3.58 Regional News (except London). 4.00 Play School. 4.25 Huckleberry Hound. 4.30 Jackanory. 4.45 Star Turn. 5.10 Seven Little Australians. 5.40 Paddington.

5.45 News.
6.00 Nationwide.
6.40 Wednesday Film: "The Invisible Man," starring David McCallum.
7.55 Party Political Broadcast on behalf of the Labour Party.
8.05 European Cup-winners' Cup Final: West Ham United v. Anderlecht.
9.00 News.
9.10 European Cup-winners' Cup Final.
10.10 Survivors.
11.00 To-night.
11.35 Weather Regional News.

All Regions as BBC 1 except at the following times:—

Wales—5.10-5.30 p.m. Tuktu, the Eskimo Boy. 5.30-5.40 Captain Pugwash. 6.00-6.40 Wales To-day. 6.40-6.55 Heddiw. 6.55-7.25 Pobol y Cwm. 7.25-7.55 The Burke Special. 7.55-8.05 Party Political Broadcast on behalf of the Welsh Labour Party. 11.35 News and Weather for Wales.

Wenvoe West—7.55-8.05 p.m. Party Political Broadcast on behalf of the Welsh Labour Party.

Scotland—6.00-6.40 p.m. Reporting Scotland. 7.55-8.05 Party Political Broadcast on behalf of the Scottish Labour Party. 11.35 News Summary and Weather for Scotland.

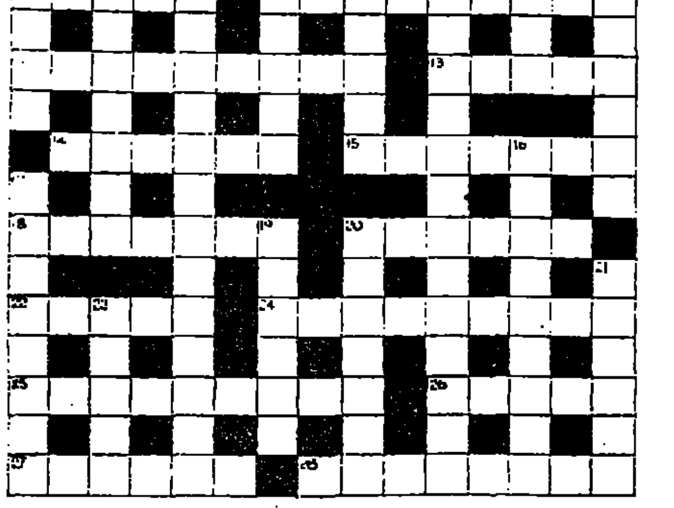
Northern Ireland—3.58-4.00 p.m. Northern Ireland News. 6.00-6.40 Scene Around Six. 11.05-11.35 Spotlight on what matters to people in Northern Ireland. 11.35 News and Weather for Northern Ireland.

England—6.00-6.40 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South-West (from Plymouth).

BBC 2

6.40 a.m. Open University.
10.30 Nai Zindagi Naya Jeevan.
11.00 Play School.
2.00 p.m. Racing from Chester.
5.00 Open University.
7.05 I See What You Mean.
7.30 Newsday.
7.55 Party Political Broadcast on behalf of the Labour Party.
8.05 Gardeners' World.

F.T. CROSSWORD PUZZLE No. 3,071



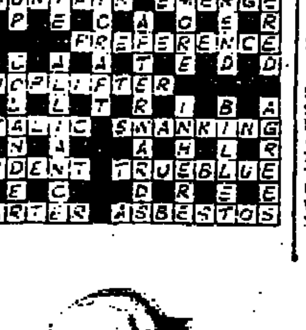
ACROSS

1 Didn't come off mountain and plain (4, 4)
5 Hairdresser using textile machine (6)
10 Detector of strong head wind (5)
11 10 ae notes are holding fast (9)
12 Sucker for having pudding before joint (9)
13 There might be something to put one to sleep (5)
14 Waiter taking care of two Frenchmen is . . . (6)
15 . . . fit to drink with Petty Officer on board (7)
18 Go in before one caught fever (7)
20 As mean perhaps as a sailor (6)
22 Beefy part of Scotland (5)
24 Turn round roughly to front (5, 4)
25 Relaxing job for landlord at the top (7, 2)
26 Drag hesitant sound from firearm (5)
27 Fret about soft wood (6)
28 Gets annoyed with beard (8)

DOWN

1 Last stage sounds foreign (6)
2 Spent a lot of money when whipped abroad (6, 3)
3 Immediate reaction to new edition (5, 10)
4 It's simple to be Philistine (7)
6 Band comes to halt in best seats (9, 6)
7 The two of them are about right concerning soup (5)
8 Ordered to be quiet (8)
9 Conforming to part of foot (6)
16 Invitation to prospective theatre backer to do a favour (2, 2, 5)
17 Tradesman giving details (8)
19 Care to make accusation (6)
20 Slow train to Cork (7)
21 Organs with which one may be suited (6)
23 Organise outfit (3, 2)

SOLUTION TO PUZZLE No. 3,070



ENTERTAINMENT GUIDE

OPERA AND BALLET

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THEATRES

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GREENWOOD, LONDON BRIDGE. Festival Du Theatre Francais - Evgs. 6.0 Mat.

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CINEMAS ARE CONTINUED ON PAGE 12

Television

A fair wind for writers

by CHRIS DUNKLEY

The paramount position of the writer in British television is an extraordinary phenomenon. As Sir Huw Wheldon has pointed out several times, in most countries comedy series simply run and run until viewing figures decline and this can mean that they stay on the screen for years, or even decades, meandering into hundreds of episodes. Whole teams of writers follow one another in relays to keep the thing going.

In Britain by contrast the better quality comedy series such as *Dad's Army* or *Fawlty Towers* are limited to the number of episodes that their creators happen to feel inspired to write, which can mean that they run to as few as a dozen programmes.

It is not just in this area of creation for the medium itself that the writer is so clearly seen in British television as being something special, however. We also have a surprising number of biographical programmes *about* writers (so long as they don't actually write for television): a great many more—or that is certainly the impression—than we have about politicians, say.

For a medium which is, pretty clearly, going to replace print to a very great extent—indeed is already doing so in education, children's entertainment, and various other spheres—this may be a Bad Thing. For those of us who admire good writing as much as or more than almost any other accomplishment it can, of course, be a Good Thing. For the dominant communications medium emerging from a culture in which communication has depended for centuries on writing it may very well be an inevitable Thing.

It can certainly turn out very useful: on Friday BBC2 made the admirable gesture of adding to their evening's schedule a repeat of the first programme in the *Born 1900* series, the episode about the late Richard Hughes, author of *High Wind In Jamaica*, whose own birth date gave rise to the idea for the series.

It was a calm, fairly quiet programme which neatly combined a well edited interview with a good impression of the surroundings in which Hughes worked; an achievement which is worthier of praise than it sounds because Hughes, though a brilliant raconteur, was not the easiest man to interview, and his

Jack Warner

dramatic surroundings in Snowdonia offered a challenge as well as a treat to any cameraman.

The existence of the programme turned out useful in the sense that it made a very fitting obituary. Television is at a disadvantage to newspapers here in that a newspaper journalist can continually revise and up-date obituaries without disturbing the subjects whereas television has that perpetually embarrassing need for pictures. When actors, band-leaders, and others whose lives have taken them frequently before the film cameras die, television can usually cobble together some sort of record or tribute, but for those who have been in un-filmed professions such a programme is extremely difficult.

Not impossible, however, as was shown by *Flora Thompson Lived Here*, earlier on the same evening on the same channel. This was the last in a short series of programmes about writers, including Disraeli and Dylan Thomas, which have approached their subjects by way of their homes or general surroundings. Flora Thompson was the author of *Lark Rise To Candleford*, and Sir Hugh Casson who presented the programme spoke, much of the time, over beautiful pictures of the Oxfordshire countryside which Flora Thompson knew and which (unlike the interior of her cottage, presumably, since we never saw it) must have changed little since her time.

Writers, of course, are unarguably the sole creators of their books whereas television directors and producers are reliant upon the abilities and even the inspiration of whole teams of assistants and technicians. The idea of all works having one easily identifiable "auteur" is even more difficult to apply in television than in the cinema. There are nevertheless some producers, directors and even a few reporters whose central responsibility for the consistent superiority of the programmes with which they are involved is recognised by their colleagues.

One wonders how old television will have to grow before it starts to treat its own greater exponents with as much attention—let alone as much respect—as it has always afforded to great writers.

It is true that Thames's *This Is Your Life* takes a television "personality" as its subject (or perhaps the word should be victim) from time to time, and by ratings standards *TIYL* is a phenomenally successful series. In the last 16 weeks it has taken first place in AGB's JICTAR ratings nine times. The other seven times it has come second. Almost invariably, however, these television subjects are actors or actresses and, in any case, the interest of the series seems to be more in the region of tears than of serious biography—the implications of the title nothwithstanding.

Leaving *TIYL* aside, the only biographies of television's own people which come to mind are two by Peter Foges, of Ed Murrow and Richard Dimbleby and one by Jonathan Dimbleby also of Richard Dimbleby. Of course these three were all made after the deaths of their subjects. I can recall only one biography of a living subject and, as it happens, I presented that myself: it was made by ATV and, irony of ironies, it was called *Tribute To A Writer*. It marked the completion of 25 years in television by Lord Willis—known professionally as Ted Willis—and the presentation to him of a special award by the Writers Guild Of Great Britain.

Ted Willis's name has appeared in the *Guinness Book of Records* as that of the most prolific television writer in the world but (miracles aside) the series he will be remembered for most is *Dixon of Dock Green*. Willis created Dixon 26 years ago for a film called *The Blue Lamp*. The character was played by Jack Warner and he was killed by a villain called Tom Riley, played by Dirk Bogarde.

In 1955 Pc Dixon rose from the dead and started a career on BBC1 which continued for 21 years, lasting until Saturday night when the character passed away after 434 stories not with a bang, not with a whimper, but without even a whisper. For reasons best known to themselves the people at the BBC, those arch fiends of anniversary-marking and past masters of birthday celebrations, allowed their best-loved copper in their longest-running television drama series of all time to shimmer away into the ether without so much as a one-line announcement in *Radio Times*.

It has been suggested that it was *Dixon Of Dock Green* which really did the pathfinding for all our modern police series and not *Z Cars*, the argument being that *Dixon* was the first to show policemen as human beings with wives and children, money problems and bad habits. There is some truth in this, but *Z Cars* still deserves credit for making the big break.

Yet Willis and Warner did achieve something with Dixon that Elwyn Jones and Stratford Johns could never have managed with Barlow: they made a character to which people turned not simply to be taken out of themselves with stories, but for reassurance in their own all-too-real lives. It may be argued that this is dangerously like a child turning for comfort to an imaginary fairy godmother, and certainly I never experienced the magic myself. Yet if people did get real comfort from the Warner/Dixon character — and there seems no doubt about it—no one can detract now from the reality of that comfort. There was a lot of Ted Willis in Dixon: he was "nice" and he liked "ordinary" people.

I wonder whether a television crew will be out in Tottenham in 100 years' time making a programme called *Ted Willis Lived Here*. It is conceivable, but then Willis *is* after all a writer. Perhaps someone could make a note now for future reference of the addresses of Vere Lorrimer, who directed the last Dixon, and Joe Waters who produced it.

Congratulations are in order to either the ITV time salesman or to the person who buys time for Benson and Hedges: whichever of them it was that had the bright idea of inserting that cigar commercial featuring the man waiting in the snow for the Orient Express, right in the middle of the Orient Express sequence in *From Russia With Love*. It was as though the whole of Sunday's Bond film was a build-up to a cigar ad.

Leonard Burt

Julia McKenzie, David Kernan and Millicent Martin in 'Side by Side by Sondheim,' which opened at the Mermaid last night

New York theatre

Redgraves

by GEORGE OPPENHEIMER

The first of them is Vanessa Redgrave who is the only good reason for seeing Ibsen's *The Lady from the Sea*, one more revival in this season of *déjà vu*. I first saw Ibsen's mystic mishap when Eleanora Duse played it on her farewell tour, which was indeed that since she died not so long after. It seemed to me then, when I was a wisp of a lad, a pretty dull affair, made no livelier by the fact that it was done in Italian (without subtitles). I also did not join the hosannahs directed at Duse, who was playing the childlike Ellida at the advanced aged of sixty-four or five.

Now the Circle in the Square, which specialises in revivals, has brought Miss Redgrave over here "to join her sister, Lynn, who is being hailed for her performance in *Mrs. Warren's Profession* at a nearby playhouse) for her New York stage debut. I only wish she had chosen a better play. It is minor Ibsen done in a minor fashion.

Miss Redgrave looks lovely, acts beautifully and speaks with the tongue of an angel. And yet she does not seem to me the wild mermaid-like creature that Ibsen meant to portray. Hers is too restrained a performance. Fortunately the mere sight of her makes up for any flaws. These flaws may well be director Tony Richardson's fault since his direction seems snail-paced and his scenes between two characters take on the aura of a debate.

Nor is the acting, apart from Miss Redgrave's and Kimberly Farr's as her older stepdaughter, much to boast of. Pat Hingle plays her stodgy husband, Dr. Wangel, with a stodginess that fits the part and an American accent that does not. He seems more Willy Loman of *Death of a Salesman* than Dr. Wangel of a Norwegian fjörd.

Then too there is the stage of the Circle in the Square, so long that it must have originally been built for a 440 yard dash or some other athletic event. When the actors are at the far side of the stage away from you, you get the impression that you are looking at them through the wrong end of an opera glass.

The second lady is a revival of that durable musical, *My Fair Lady*. Ian Richardson plays Henry Higgins consummately well. In truth, I preferred him to Rex Harrison, good as he was. Richardson plays it more humanely and sympathetically and as a result, more convincingly. George Rose is sheer delight as Doolittle and Robert Coote of the original cast is as bumblingly perfect as before.

In fact my only quarrel with this new version lies in the lady, Christine Andreas, a relative newcomer. She sings well, dances well and acts well, but she lacks the glamour that is so important for her transformation from a flower girl into a lady of fashion. Costumes, sets, dances and staging are all retained to make for one of the best evenings in the current theatre.

There's little else to occupy your time. Elie Wiesel, the novelist, has written a play entitled *Zalmen or the Madness of God*, that only lasted a brief time. It had a certain interest in its appeal for Jewish militancy against those who oppress the Jews. A rabbi, well played by Joseph Wiseman, is induced to preach a sermon advocating greater indignation and protest against the Russians who are mistreating his people. The sermon is heard by a commissar and, worse still, by strangers who are passing through the town. There is a trial scene that has a modicum of drama, but, on the whole, *Zalmen* was a fairly static affair.

The Medal of Honor Rag by Tom Cole, based on an actual incident, is more of a psychiatric case history than a drama. There are only three people in its cast—a black who has won the medal of honour in Vietnam and then gone more or less berserk, a doctor who is attempting to treat him and a Military Policeman who has little to do.

After a slow start, the confrontation between the black soldier and the white doctor who is trying to help him takes on something of the interest of a trial. Little by little the psychiatrist contrives to make his patient talk and to gather information on his life prior to and after the winning of the medal. There is a short scene at the end in which the doctor tells us that the black left the hospital, tried to hold up a grocery store and was shot. So much for gallantry!

The hero and the analyst are extremely well played by Howard E. Rollins, Jr. and David Clennon respectively, under the taut direction of David Chambers.

Should you ever encounter a company known as Shaliko, look the other way. It is currently producing George Büchner's *Wozzeck* in a manner that boggles the mind, deafens the ear and offends the eye. Otherwise it is dreadful.

Coliseum

The Prodigal Son

by CLEMENT CRISP

Two of the best works created for Festival Ballet in recent years were on view in Monday's programme: Ronald Hynd's *Dvorak Variations* and Barry Moreland's *Prodigal Son*. Mr. Hynd's well-made piece might be subtitled *Dances at a Slavonic Gathering*, for its plotless neo-classic inventions have a hint of folk-weave about them which reflect the music's own character.

The choreographer has had to surmount the short-breathed nature of the musical form — the variations are often of very brief span—and by careful deployment of his forces, Mr. Hynd has imposed a larger structure upon the score. Particularly happy is the way the ballet gains in momentum, and from the two matched quintets, one for the men followed by one for the girls, which come half-way through the ballet, the dances have a fine impetus. Gaye Fulton and Nicholas Johnson were the leading couple: their styles are lighter in texture, quicker in accent, than those of Samsova and Prokovsky who created the roles, but the ballet suffers not a whit thereby — it remains an excellent show-piece, and one which Festival Ballet's dancers give of their best.

About *Prodigal Son* little remains to be said, save to reiterate praise for Paul Clarke, Patricia Ruanne and Kenn Wells as its principals. All three are intensely musical dancers, and their characterisations are now of exceptional merit. Paul Clarke is remarkable in elegance, and in the sensitivity with which he gives the Prodigal a positive and charming personality. The indomitable good humour and tireless rhythmic alertness of his dancing are a constant pleasure.

And at two moments in the ballet he suggests qualities that transcend the actual nature of the role. The first is in his comic resource as the zany wartime recruit, where his playing is truly witty, a rare thing in ballet. The second is in a passage when he escapes the Depression to become a gigolo, and sexual arrogance speedily fades into disillusion: both display dance acting of a very high order. Patricia Ruanne gives the uncanny impression of Jean Harlow dancing the Siren in Balanchine's *Prodigal*—there is a gleaming, icy voluptuousness to her performance—and Kenn Wells has never been more menacingly serpent-like, or more insinuatingly cruel as the Prodigal's Evil Genius.

Trevor Humphries

One of the forty dancers in the revue extravaganza 'Brasil Tropical,' which opened last night at Sadler's Wells Theatre

Young Vic

Ten Lost Years

by B. A. YOUNG

Toronto Workshop Productions, who are playing at the Young Vic until the end of the month, are a community-style company of ten players who act and sing and perform on a variety of musical instruments. In *Ten Lost Years*, which has been adapted by Cedric Smith and Jack Winter from a book by Barry Broadfoot, they wear no costumes other than some gorblimey caps for the men to establish the date as the 'twenties and 'thirties, and use no scenery but some wooden platforms.

They are a well-disciplined company, though this show does not call on them for anything great in the way of either acting or singing. It consists of a string of reminiscences of the bad years before the second world war, when there was much poverty in Canada and little work and a good deal of resentment against the governments of R. B. Bennett and Mackenzie King. The mood is almost entirely one of self-pity, with little evidence of admiration for anyone except the men who went to Spain and fought against Franco.

I don't think it was a good piece for the company to introduce itself with. It seems almost to revel in adversity, giving countless examples of distress without ever venturing on either a political argument or an articulate narrative. (Abusing the head of the government is not a political argument.)

Moreover it gives no opportunity for real acting; all it calls for is a certain anecdotal skill and an adequate musical ability. I can't believe that a company that includes in its repertory work like *Arturo Ui* and Dürrenmatt's *Visit of the Old Lady* hasn't more than this to show us. It's a specially unfortunate moment, moreover, when our own agitprop companies are busy recalling the general strike of 1926. Other people's sufferings can never compete with one's own.

Rostropovich cancels concert

Mstislav Rostropovich has had to cancel his concert with the BBC Symphony Orchestra at the Festival Hall to-night because of influenza. He is expected to be well enough to play at Yehudi Menuhin's 60th birthday concert at the Albert Hall on Sunday.

Wagner treasures for London

Theatrical treasures from Bayreuth, never before seen outside Germany, will go on exhibition at the Royal Festival Hall later this month to mark the centenary of the Opera House that Wagner built and the festival he founded.

The exhibition, called *Bayreuth 1876-1976*, brings together 400 exhibits from 100 years of Wagner productions, including original costumes, three-dimensional stage models, props, letters and photographs.

Wolfgang Wagner, the composer's grandson and present director of Bayreuth, will fly over for the opening on May 21, which he will perform with the German Ambassador in London.

The exhibition is being partly sponsored by the BBC and a German bank and will be on view to Festival Hall concert-goers until June 5.

'Fifties musical for the New London

Leave Him to Heaven, a rock musical compiled from hits of the 'fifties and early 'sixties, will come to the New London Theatre on June 2. It is a product of the same stable as *Happy as a Sandbag*, with book written and arranged by Ken Lee, direction by Philip Hedley and a record box-office score at the Watford Palace Theatre.

Lincoln buys its theatre

In a bid to keep live theatre in the city, Lincoln City Council is acquiring the Theatre Royal in Clasketgate. The sum to be paid was not revealed but is thought to be of the order of £27,500. The theatre has been closed because the association which ran it went into liquidation at the beginning of this year.

St. John's, Smith Square

Ashkenazy

by DOMINIC GILL

Sublime Mozart evening with Ashkenazy and the Orchestra of St. John's on Monday—full to overflowing with every quality (a recent and obvious comparison only) which last week's Australian Sinfonia concert so conspicuously lacked: freshness and gaiety, exuberant spontaniety, loving attention to the minutest detail of attack and phrasing, powerful sense of shape and direction. It was an evening to warm the most tired heart—the happiest, most satisfying orchestral concert London can have heard for many months.

Ashkenazy began as conductor, launching the young St. John's Orchestra at a cracking pace into the Haffner symphony — a tempo which came once or twice unnervingly close to tumbling over itself, but was ever the more exciting for it, driven up and away with marvellous confidence and energy. He drew remarkably close and precise playing from his band — from the violins in the andante, a lovely vocal line, beautifully turned; and drew us all into the rejoicing of the finale, again taken very fast, without a trace of hesitation or reserve, free and airy, clean and clear.

From then on, Ashkenazy conducted from the keyboard. The first movement of his C minor Mozart concerto K491 was a marvel of transformations and contrasts, touched with a misty joy, aflame with grand classical-romantic indignation—a performance of absolute ease and freedom, concentration and control. Every swell and surge of the finale was exactly balanced, exactly noted; the larghetto (was the tempo a shade too slow?—one hardly remembers: it hardly matters) emerged no less, no more, a simple, radiant song.

This is clearly how Ashkenazy must always play Mozart, with a small, young, willing band, his own conductor and master. His C major concerto K467, after the interval, was again the purest delight—a kaleidoscope of contrasting tones and timbres, subtle melodic and rhythmic emphases, tender half-lights, sparkling humour. For an encore, he gave the same early B flat Rondo by Beethoven that we heard him play in the Festival Hall with Colin Davis last week—infused with twice the grace, twice the fire.

Cordial support for jazz

Corona, the soft-drinks company, is one of the joint sponsors of this year's Welsh Jazz Festival being held in Cardiff until May 15. The Welsh Brewers are the other sponsors.

The first Welsh Jazz Festival held last year was so successful that the organisers have extended this year's festival to two weeks. Throughout the fortnight there will be club sessions, concerts and films featuring some of the best-known names in New Orleans, Swing and Modern jazz.

Among the musicians and bands appearing are The Greatest Swing Band in the World featuring members of the old Ted Heath Orchestra and including vocalists Denis Lotis and Lita Roza; the highly-acclaimed Kathy Stobart quintet with Harry Beckett; George Melly with the John Chilton Feetwarmers; Henry Lowther; and the Gordon Beck Trio. And guests who will be featured with well-known Cardiff bands include Eric Gilchrist with the Chris Hodgkins band, Sammy Rimmington with the Mike Harries Jazz band, and Cuff Billet with the Icon Jazz band.

Further details and information from Chris Hodgkins, 7, Sherborne Avenue, Cyncoed, Cardiff (Tel. 394541).

WORLD TRADE NEWS

Commission wants to abolish cost escalation

By David Curry

BRUSSELS, May 4.

THE BRUSSELS Commission is preparing once again to knock its head against the brick wall of the cost escalation cover for export finance practised by Britain and France. It has called for the elimination of cost escalation schemes by the end of 1978. The attempt to get rid of the schemes is likely to prove a largely rhetorical exercise since the French have absolutely no intention of phasing out their scheme and the British are unlikely to budge without the French.

In fact the Italians also have cost escalation provisions, but they are barely applied at the moment and it is understood that Rome is willing to get by without them.

The Commission is proposing a series of steps away from cost escalation beginning on July 1 this year when an exporter would be indemnified only for annual cost increases between 10 and 20 per cent. After six months the range would be 13 to 20 per cent, and from July 1 1977 from 16 to 20 per cent.

Under the present British scheme the exporter bears the first 10 per cent. of price increases and the Export Credit Guarantee Department (ECGD) can cover 75 per cent. of the cost increases within a 15 per cent. band above that in a cash contract. In a credit contract the department covers some 70 per cent. of the increase in a 10 per cent. band. Changes have been made recently to make the scheme more flexible, apparently by adjustments of the amount of increase the exporter will carry on his own account and variations in the band of government protection linked to it.

The Americans, who have been conducting a long-running campaign against cost escalation, last week reopened their complaints at the GATT council, and suggested the setting up of a working party to look into the whole problem. No formal reply has been given but Paris is likely to be frosty to the idea.

Meanwhile the "gentleman's agreement" rests on ice. In January agreement on the terms were finalised, but no formal signatures have been appended because of the constitutional problem of competence. The commission, which claims competence on export finance, is willing to go along with the agreement for one year if it gets the go-ahead to conduct negotiations during this period for a new agreement. The French refuse absolutely to make any concession which will hamper their liberty to make their own arrangements for export finance, and it is reckoned in Brussels that Paris only went along with the "gentleman's agreement" because it excludes cost escalation which in present conditions is one of the most important elements in export finance.

AP gearbox contract will double output

Beginning in July, Automotive Products (AP) is to start shipping 350 four-speed automatic gearboxes a week to Italy for the Lancia Beta, which is spearheading Fiat's drive into the U.S. market, our Midlands correspondent reports. This new business will double output, which has been confined so far to British Leyland, which uses the units in Minis, Allegros and Maxis. Shipments to Italy are expected to move considerably higher later in the year.

The new Lancia Gamma, 5-door saloon, which will be replacing Fiat's 130 prestige saloon, will also be fitted with AP gearbox units specially designed for the completely new transmission.

New French contracts are also expected to be announced soon.

ECGD backs £50m. loan for Brazil

Coinciding with the arrival in Britain of General Ernesto Giesel, the Brazilian president, the Export Credits Guarantee Department (ECGD) announced that it is backing a £50m. loan to help finance contracts placed in the U.K. for the third phase of the Brazilian steel expansion programme. The loan has been made available to Siderbras, the Brazilian State-owned holding company, by Baring Bros. acting on behalf of a consortium of London clearing and Scottish banks.

The Brazilian companies undertaking the expansion are Companhia Siderurgica Nacional (CSN), Companhia Siderurgica Paulista (COSIPA) and Usinas Siderurgicas de Minas Gerais SA (USIMINAS). To qualify under the terms of the loan a contract must have a minimum U.K. value of £100,000 and be placed by May 1978.

U.S. approval for Baron radar system

Baron Instruments of the Rank Organisation has obtained U.S. Federal Communications Commission approval for the Baron X10 radar. The X10 is claimed to be among the most advanced small boat radar available anywhere in the world. It is said to be light, compact, easy to install and priced at around £700—it will retail in the U.S. at about $1,975.

An initial contract for 200 units has been signed with a follow-up of a further 300. These two contracts represent £350,000 worth of U.S. business.

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Nairobi meeting seen as North-South test case

BY REGINALD DALE

NAIROBI, May 4.

MR. GAMANI COREA, Secretary-General of the UN Conference on Trade and Development, struck an optimistic note as over 2,000 delegates assembled here to-day for Unctad IV, the fourth of the vast Ministerial gatherings held every four years to give overall political direction to relations between the world's rich and poor countries.

Mr. Corea said the opportunity was there for the 153-nation conference to "maintain and strengthen" the climate of goodwill that had existed between industrialised and developing countries over the past 18 months. The Unctad Secretariat was looking forward to a "positive and constructive" meeting, he told a Press conference.

The Secretary-General warned that failure of the talks, due to last until May 28, would lead to "frustration and disillusionment." The meeting is widely seen as a major test case for the "consensus" politics of recent months, with grave danger of a new confrontation between North and South if the outcome is unsatisfactory to the developing countries.

Dr. Henry Kissinger, the U.S. Secretary of State, who is due to address the conference on

UNCTAD '76

Thursday, to-day said he would present proposals that would go as far as possible to meet the concerns of the developing countries. He is widely expected to put forward plans for a new international resources bank which would raise up to $10bn. for financing the exploitation of commodities such as non-ferrous metals and iron ore.

Meanwhile, there were already signs that familiar political problems might resurface as delegates met to prepare for to-morrow's formal opening session. The Arab countries were reported to be considering a challenge to Israel's presence at the talks, and there were rumblings of discontent over South Africa's right to attend—although it seemed unlikely to-night that South Africa would try to send a delegation.

The East bloc has also been objecting to plans for a delegate from Chile to take part in the opening ceremonies. Chile, as the outgoing President of the Conference, would normally be expected to make a short speech.

Many developing countries, however, would prefer not to risk holding up negotiations on concrete aid and development issues, the main purpose of the conference, by using it as an arena for political propaganda. The four priority themes for the talks are commodities, the transfer of resources (including debt re-scheduling), technology transfers and the reform of Unctad itself.

EEC divided on Third World

BY GUY DE JONQUIERES

BRUSSELS, May 4.

THE COMMON MARKET countries will enter Unctad IV sharply divided over how to respond to the main economic demands being pressed by the developing world.

This became clear to-day after Foreign Ministers of the Nine were unable to agree on a mandate to be given to the President of the Ministerial Council, M. Gaston Thorn, in preparing his opening statement on the first day of the conference in Nairobi to-morrow.

Discussions over the past two days have underscored wide divergencies over how far the EEC countries should go towards meeting the demands of the Third World, with the Dutch advocating an open handed approach and the eight other Governments — notably the British and the West Germans —favouring a more restrained response.

As a result, M. Thorn will fly to Nairobi without any clear instruction and such proposals as he outlines in his speech will impose no binding commitment on the Governments of the Nine in the subsequent negotiations.

The Dutch Foreign Minister, Mr. Max van der Stoel, argued strongly to-day that unless the EEC Governments took an accommodating stance at the Unctad talks there was a danger that these would degenerate into open confrontation between the industrialised and the developing world. He made clear that his Government intends to press his views in Nairobi, regardless of the position of the other eight EEC countries.

On the key question of proposals to stabilise commodity prices, the Community has been notably unable to paper over the cracks between its members. The West Germans have insisted that any commodities considered for financing arrangements should be treated on a case by case basis, while the Dutch have been pressing the other EEC Governments to prepare a list of those commodities eligible for such financing.

Japan and U.S. near agreement on special steel cutbacks

BY PETER DUMINY

TOKYO, May 4

JAPAN WILL submit to an orderly marketing agreement (OMA) on special steel exports to the U.S., it seems clear at the end of the second round of bilateral talks on this subject which ended in Tokyo to-day.

Mr. Toshio Komoto, the Minister of International Trade and Industry, was reported as saying at the end of the three-day meeting that the two sides had made every effort to reach an amicable settlement. This can only mean that Japan has swallowed any objections of principle it might have had to the restrictive arrangements, which will set a new precedent for the application of article 19 of GATT.

However, American sources indicate that no final commitment can be expected from the Japanese until they see what comes of the U.S.-EEC and U.S.-Swedish talks. There is likely to be another meeting in Tokyo later this month.

The trend of Japanese thinking was revealed by the official MITI spokesman before the latest talks began last Friday. He said that while the original proposals of the U.S. International Trade Commission (for unilateral quotas on imports) were considered discriminatory, the same objection did not apply to the suggested orderly marketing agreements.

However he explained that Japan remained to be convinced that provisions of GATT designed to compensate countries adversely affected by unilateral trade restrictions, could be invoked to legitimise bilaterally agreed restrictions—this was the essence of President Ford's offer behind which lurked the ultimatum that the ITC would have its way if no orderly marketing agreement be negotiated.

It now appears that the Americans have been successfully persuasive, no doubt helped by Mr. Ford's proffered inducements. These were that the period of restrictions could be reduced from five to three years and that restraints could fall away if business conditions improved.

"Japan attaches much significance to these offers," the MITI spokesman said.

Dow project approved

BY PETER DUMINY

TOKYO, May 4.

WITH EFFECT from May 1 Japan has completed its programme of opening the door to foreign investment. The last categories of industry to be liberalised were fruit juices and photographic film. At the same time the Government has withdrawn its opposition to Dow Chemical's plan to build a 360,000-tonne caustic soda plant in Japan.

Dow's expanded charter—the company already has permission for some downstream activities—will be widely regarded as the more epoch-making of the two events.

The liberalisation measure was adopted in April 1973 and was implemented in stages to give what is now, on paper, completely free access to foreign investment in all sectors except farming, mining, oil refining and leatherworking—in all of which case-by-case screening will remain in operation permanently.

However foreigners have been highly suspicious of the open door, partly because takeovers of Japanese companies, other than with consent of the company being taken over, have continued to be prohibited. Also there was the Dow case, in which investment in new plant was apparently to be kept out.

According to their own standards, the Japanese have in fact been completely consistent. The official view is that foreigners are no less (but also no more) free than their Japanese counterparts. As far as takeovers are concerned, there is no such thing as a contested bid in Japan.

Regarding investment in caustic soda, no Japanese company has been allowed to break ground in the industry, which is in the midst of a costly subsidised conversion from the mercury-based method of production (now considered a health hazard) to the more socially-acceptable diaphragm technology.

The crucial question was whether Dow Chemical would bow to administrative guidance by the Ministry of International Trade and Industry on the timing of its investment and other details. All large industrial investors in Japan have to and not only in the caustic soda industry by any means.

For a long time, Dow appeared to say that it would do things just the way it has always done them in the U.S. However, Mr. Robert Baker, president of Dow Chemical Japan, now states that administrative guidance will be followed—if the project goes ahead.

U.K. chrome process eases Japan's pollution problem

BY OUR CHEMICALS CORRESPONDENT

SEVERE POLLUTION and health problems encountered by the Japanese in chrome refining are expected to be eased as a result of a licensing agreement which will allow the Japanese to use a new British manufacturing process.

The agreement between Albright & Wilson and C. Uyemura of Osaka, the largest Japanese supplier of electroplating plant and processes, will enable the Japanese to use A & W's Alecra 3 trivalent chromium process, which is much cleaner than the conventional hexavalent process currently used in chrome plating throughout the world.

The latter process has been blamed in an official Japanese inquiry for the death of 22 people in five factories, but this is thought to be only part of the total. The health hazard is caused by chemical particles discharged during the process which are thought to be a factor in inducing lung cancer and which can also have other effects including perforation of the nasal septum.

The licensing agreement with Uyemura has been approved by the Japanese Government and will enable the company to manufacture the process materials in Japan and market them to the metal finishing industries of Japan, Hong Kong, Indonesia, Korea, Malaysia, Singapore and Taiwan.

U.S. tax incentives scheme fails

By David Bell

WASHINGTON, May 4.

THE TAX concessions established in the U.S. in 1971 to boost exports have largely failed to achieve their goal, according to a report issued last night by the Library of Congress.

The report—carried out at the request of Sen. Edward Kennedy and Sen. Floyd Haskell—concentrates on the so-called disc programme of tax concessions under which U.S. companies can set up a special domestic international sales corporation. Half the income from such a corporation may remain untaxed almost indefinitely as long as it is invested in certain ways laid down by the 1971 Act.

This Act was intended to stimulate exports and is currently saving American corporations some $1.4bn. in taxes but the report concludes that very few companies increased their exports because of the "discs" and that ending the tax advantages would make very little practical difference to the overall level of American exports.

Both the senators argued to-day that the report shows that there is no argument to be made for the tax break which has been widely criticised outside the U.S. states as giving American companies just the kind of subsidy that they attack when it is given to their competitors.

The library of Congress report takes issue with an earlier one by the Treasury which found that the abolition of the "discs" would seriously harm U.S. exports. The Treasury report had said that jobs would be at risk if the tax break were abolished and that it had resulted in as much as an extra $4.6bn. worth of exports since it was introduced.

But the Congressional report said that "at best" it has only been responsible for some $1.8bn. worth of new exports and that the Treasury had failed in its study to take into account the impact of flexible exchange rates or to note that some companies without "discs" had done a good deal better than those with them. According to the Congressional report, the product categories in which exports of companies without "discs" grew faster than those with were grains and soyabeans, electrical machinery and equipment and transportation equipment.

The attack on the "discs" is part of a wide ranging look by a number of senators at the great variety of subsidies and other tax advantages which favour specific types of business or investment.

Pentagon asks for five more ships

WASHINGTON, May 4.

DEFENCE Secretary Donald Rumsfeld asked the Senate Armed Services Committee to-day for an additional $1.2bn. which would give the U.S. Navy five more ships which it says it will need to control the seas.

Mr. Rumsfeld's testimony was secret, but Pentagon officials released an unclassified summary. It reflected President Ford's decision last Saturday to increase his $112.7bn. budget request for 1977 by adding four frigates, relatively inexpensive ships that fire guided missiles, and an oiler, $350m. for a new nuclear aircraft carrier, and $200m. in research money to speed up quick-takeoff V-STOL aircraft.

Early this year, the President asked for a $6.3m. 16-ship budget, which already included eight frigates. The House voted to spend $1.1bn. more on shipbuilding, cut four frigates out of the budget, added the aircraft carrier and eight more expensive, mostly nuclear-powered ships which the navy did not request.

The House had replaced four frigates with anti-submarine destroyers. Mr. Rumsfeld told the Senate committee that the 12 frigates were more necessary. "This," the statement said, "will provide the needed additional surface combatants with improved air defence, anti-submarine warfare and improved anti-surface warfare capabilities for support of task forces, convoys and defence of replenishment ships."

UPI

Ford may veto arms sale Bill

WASHINGTON, May 4.

REP. WILLIAM Broomfield, ranking Republican of the House International Relations Committee, said to-day that the White House has indicated that President Ford will veto the fiscal year 1976 International Security Assistance Bill.

The $3.1bn. authorisation measure, which would provide military credits and assistance to Israel and other Middle Eastern countries, contains new measures for Congressional scrutiny.

President Ford last week told Congressional leaders that he might veto this legislation because of his opposition to the restrictive aspects. UPI

U.S. accounting firms to give details of auditing

BY STEWART FLEMING

NEW YORK, May 4.

LEADING accounting firms in the U.S. will now be expected to submit the quality of their auditing work to detailed review by other accountants following a decision announced to-day by the American Institute of Certified Accountants at its half-yearly Council meeting in Florida.

The move, which firmly establishes the controversial "Peer Review" programme as essential for the accounting profession, was described by Mr. Ivan Bull, chairman of the Institute, as "a landmark decision."

The decision provides that an accounting firm whose clients are subject to the filing requirements of the Securities and Exchange Commission should open its files and operations to an independent review of audit work quality controls by fellow professionals. It is expected that the procedure will involve either an accounting firm or a panel from the Institute first examining the principles of an accountant's practice and then testing to ensure that the principles are applied in practice by re-testing a number of actual audits.

Although the programme is voluntary, a spokesman for Peat Marwick Mitchell, one of the world's largest accounting firms, said yesterday "It is voluntary in name only. Each of the major accounting firms will have to submit to it. I do not think they could stand the heat generated by a refusal to participate." Asked whether he though that the decision to require publication of the results of a Peer Group Review would tend to result in reports which were softened, he said "In the post-Watergate atmosphere, I doubt if publication would result in reports being softened."

A number of accounting firms including Price Waterhouse and Co. and Peat Marwick have already submitted to Peer Group Reviews. In the case of Peat Marwick, the accountants Arthur Young and Co. first visited Peat's head office, then went to 18 branch offices and double checked the audits the company had done on 450 corporations to see that the principles the firm was following were applied in practice.

The decision to back the Peer Group Review programme is seen as a step not only to promote good audit work but also to shore up the credibility of the profession in the eyes of the public and the Congress.

Although the possibility of setting up similar procedure in London has been discussed within the accounting profession, particularly after the publication of the report in the affairs of London and County Securities, the debate is not as well advanced as in the U.S., although the major accounting firms affected in the U.S. also dominate the British accounting profession.

Congress blocks banking reform

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, May 4.

HEAVY LOBBYING by the banking industry appear to have succeeded in blocking a bank reform Bill in Congress which would have greatly increased the competitiveness of the savings institutions.

The Bill had already passed the Senate late last year, apparently catching the banks unawares. But yesterday the chairman of the House Banking Committee, Congressman Henry Reuss from Wisconsin, came to the conclusion that his Committee would not allow the Bill in its present form out for debate by the full chamber and therefore sent it back to a sub-committee for redrafting. It is unlikely to emerge for consideration this year.

The Bill would have permitted savings and loans institutions (S and L's) to offer, under certain conditions, checking (current) accounts to their customers. They would also have been allowed to put 20 per cent. of their loans into the consumer field, whereas now they are specifically limited to the housing sector. The law presently allowing them to pay ½ per cent. more than the banks on savings accounts would have been extended for 5½ years.

Credit unions, widely used by blue collar workers, would have been authorised to offer home mortgages, sell travellers' cheques and make available long-term certificates of deposit. They are generally limited now to savings accounts and small loans.

The basic issue is a perennial one: the banks have long felt that while the S and L's perform a valuable function in the housing field, they should be essentially limited to that sector and not authorised to muscle in to banking preserves.

But the committee sentiment also reflects something of the changing mood in the Congress, which, a few months ago, was red hot to keep a much closer watch over banking activities, as well as to give the consumer a wider choice of banking services. That heat seems to have cooled—and not simply because the banking industry pulled out the lobbying stops.

U.S. apology to Venezuela over price cutting charge

BY JOSEPH MANN

CARACAS, May 4.

MR. FRANK ZARB, head of the U.S. Federal Energy Administration (FEA) expressed his regret yesterday to the Venezuelan Government for having erroneously said that Venezuela was selling its petroleum at prices below those set by the Organisation of Petroleum Exporting Countries (OPEC).

Mr. Zarb's statements last week about Venezuelan petroleum, including his assertion that some Venezuelan oil was "overpriced," caused a stir here and elicited denials from the President of the state oil monopoly, Gen. Rafael Alfonzo Ravard, and from Mines Minister Valentin Hernandez. Venezuela, a charter member of OPEC, was particularly stung by Mr. Zarb's claim.

The U.S. official's apology to the Venezuelan Government, and his admission that his interpretation of the situation had been in error, were transimtted to the Venezuelan embassy in Washington, according to the American embassy here. As the world's fourth largest exporter of petroleum, Venezuela ships the great bulk of her oil exports to the United States.

Meanwhile, Lagoven, the largest operating company in Venezuela's newly-nationalised petroleum industry, announced yesterday that it had made an "important" oil discovery in Lake Maracaibo.

3.2m. acres to be leased in Alaska

The U.S. Interior Department took another step toward leasing areas in the Western Gulf of Alaska for oil and gas development by selecting 3.2m. acres for intensive environmental study, AP-DJ reports from Washington.

The agency chose 564 tracts, none closer than four miles to shore, for a final environmental-impact study. All the tracts under consideration lie in an area South and East of Kodiak Island and South-West of Montaque Island. A public hearing will be held on the environmental-impact study before any final sale plans are made.

Canada delays

The Canadian National Energy Board has approved amendments to licences delaying export of a petrochemical feedstock to the U.S. and construction of a pipeline from the West, AP-DJ reports from Ottawa. The amendments are part of a complicated series of licences and applications by Dow Chemical of Canada, Dome Petroleum and Cochin Pipe Lines to move ethylene and ethane to Ontario and export some to the U.S.

Uruguay devalues

The Uruguay Government devalued the peso yesterday by 0.62 per cent., bringing it from 3.06 to 3.09 to $1, the sixth mini-devaluation this year, AP-DJ reports from Montevideo. The Government announced that its trade deficit for the first three months of 1976 was $3m. compared with $40m. for the same period last year.

Peruvian mission

A small but high-level mission of Peruvian State banking authorities is due to arrive in London to-day for talks with international bankers, the main object of which will be to put together an emergency packet of re-financing loans, writes our Lima correspondent. Last year Peru ran into a balance of payments crisis of unprecedented proportions—$1.6bn., $200m. more than the total value of the country's exports.

The mission is led by Dr. Carlos Santistevan, President of the Peruvian Central Bank. Dr. Santistevan will be telling European bankers that Peru needs $400m. quickly, to help refinance this year's payments on the foreign debt.

Executive shot

Left-wing guerillas early yesterday ambushed and shot dead a top executive of the Fiat Motor Company in a Western suburb of Buenos Aires, according to company sources, Reuter reports from Buenos Aires. Sr. Pedro Rota, 41, head of the car assembly plant of Fiat's Argentine affiliate, was machine-gunned from a passing car as he was driving to work from his home.

BAHAMASAIR

Troubles of an airline

BY NICKI KELLY, NASSAU CORRESPONDENT

THE MESSAGE is urgent: "Fly Bahamasair at every opportunity. You'll be helping yourself, Bahamian employment and contributing to the nation's economy." It comes almost daily, by advertisements in the local Press and on radio, as Bahamians are being exhorted to patronise their national carrier, but the outlook for success is not encouraging.

Less than three years after it was founded in a burst of independence enthusiasm, Bahamasair is on the edge of collapse, a victim of high fuel costs and public antipathy. Seldom has a government run show stirred up such strong feelings. Even the Prime Minister, Mr. Lynden Pindling, has been unable to resist pointing a finger at the "waste and inefficiency" that has throttled the airline's performance.

During April, in the fourth round of a series of labour disputes and lay-offs, Bahamasair announced a drastic pruning of domestic and international operations and the dismissal of 139 of 493 employees. The cuts, it is hoped, will wipe out the company's $250,000 monthly operating deficit and bring the level of scheduled service "in line with the prevailing demand and the economic realities of the situation." Mr. William Allen, the chairman of the airline, said.

Job market

The dismissals could not have come at a more awkward time. In March the Sheraton British Colonial Hotel, with 495 rooms, announced it was being forced by economic circumstances to close down two thirds of its operation and lay off 200 of its 310 staff. With the job market already greatly contracted, the prospects of Bahamasair personnel getting new jobs quickly are slim indeed.

The Pilots' Association and the Airline Workers' Union, both of whom were engaged in contract negotiations at the time, threatened to strike unless some equitable settlement was reached.

The pilots, 40 per cent. of whom lost their jobs, charge that Bahamians should have been given preference over the eight expatriates among the 29 pilots on the payroll. The airline union has argued that staff rotation might have preserved at least part-time employment for the rest of those dismissed.

In view of the current rate of unemployment—now put at well over 12 per cent.—it seems unlikely the unions will be able to take effective retaliatory action. The management of Bahamasair is fully aware of their predicament. "I don't think they would be silly enough to cut off their noses to spite their faces by striking," the airline's American managing director, Mr. Presley Ellsworth, has observed.

Mr. Ellsworth, a former general manager of British West Indian Airways, succeeded another American and one-time vice-president of American Airlines, who was abruptly dismissed by the Board six months after taking up his appointment. Like his predecessor, the new manager has had to grapple with a badly under-financed airline, hurriedly put together in the midst of the energy crisis and caught between increasing union pay demands and a depressed economy.

Disputes

Bahamasair was born 2½ years after Bahamas Airways (BAL), almost wholly owned by the London-based Swire group, abruptly ceased operations following certain disagreements with Government. An amalgam of BAL workers and employees from some of the smaller airlines, Bahamasair has never enjoyed the public support and staff loyalty given Bahamas Airways.

Continuous pay disputes and lay-offs, the regular breakdown of equipment and a general lack of communication between management and labour has sapped employee morale and produced poor service at many levels. In turn, Bahamians, who have no alternative on domestic routes, have retaliated by flying Bahamasair's principal competitor Eastern Airlines on overseas flights to Miami.

Bahamasair has already cost the Bahamian taxpayer at least $9m., not including thousands of dollars in still unpaid landing fees. While it is easy to justify management's claim that staff performance is poor and the pilots' contention that there is mismanagement, the price increases touched off by the fuel crisis must still be held largely to blame for the airline's precarious financial position.

From $85,000, Bahamasair's monthly fuel bill has escalated to $250,000 to which must be added monthly salary costs of $309,000 and a further $153,000 for leased aircraft. These three main operating expenses alone total more than $700,000.

With passenger revenues now less than $300,000 a month, the airline, even with revenue from its successful freight service, has fallen far short of meeting its own expenses. Government has had to make up the difference at a daily cost of $12,228. The Minister of Tourism and Aviation, Mr. Clement Maynard, has emphasised, however, that this bankrolling of Bahamasair's losses cannot continue ad infinitum, and the company would have to start meeting its own commitments. A year ago when the Airline Workers Union won a 5 per cent. pay rise the government flatly refused to sanction the increases for six months on grounds it simply did not have the additional funds.

Under the circumstances, the most recent cutbacks hold out little hope of success. The pilots have pointed out that Bahamasair is too small an operation to support an expatriate general manager salaried at $50,000. Figures show that the top eight men in the company earn well in excess of $200,000 annually, representing more than 5 per cent. of the payroll. "If Bahamasair shrinks its operations any smaller than its present size, then to keep an official on the staff with that kind of pay is a sheer waste of company funds," they insist.

The pilots for their part are still trying to win agreement on the same pay scale offered by Bahamas Airways in 1969. They maintain Bahamasair can make money but needs to be completely restructured. Their grievances centre on what they claim is the poor deployment of personnel and aircraft, bad flight schedules and failure to exploit the more profitable routes.

Committed

The pilots' complaints notwithstanding, Bahamasair, as the only island link, is committed to operating a number of unprofitable routes to the southern Bahamas. "What people must realise is that this airline cannot make money with the present route structure because we don't have the long hauls to subsidise the shorter ones around the islands," says its general manager.

Bahamasair is seeking to expand service to North America, including Toronto, New York, Dallas, Atlanta and Chicago. The Prime Minister has warned, however, that such expansion would cost about $20m. in capital expenditure. While determined to keep Bahamasair flying as an essential community service, the Government has none the less made it clear that "circumstances beyond our control" might well take the decision out of its hands. Any further increase in operating costs, Mr. Pindling has said, could push the burden "to the point where we just might not be able to live with it."

EUROPEAN NEWS

The French Government has just laid out its plans for a capital gains tax. **Rupert Cornwell** in Paris reports on the heated reaction to it.

The taxman cometh

A NEW tax is rarely an occasion for national rejoicing, least of all in France with a hatred of the taxman and a rate of tax evasion probably unmatched anywhere in Western Europe except in Italy. Even so the political uproar that has followed the Government's plans for a modest capital gains tax has taken aback even the most cynical observers.

Barely had the Finance Minister, M. Jean-Pierre Fourcade set out his project than the abuse started, for once uniting Left, Right and centre over a single issue. For the Socialists and Communists, the new tax was a mockery. Real wealth would be untouched, while the hard won savings of the little man would be cruelly taken from him. For the Right, a capital gains tax amounts to an attack on the sacred right to possess things, a measure that might bring down the Bourse, industry and the economy.

So what is all the fuss about? France is almost one of the last major industrial nations to adopt a capital gains tax, and in doing so is treading very carefully. The fresh revenue for the Treasury will be only Frs.1.1bn. (£125m.) a year, to add to the Frs.700m. (£80m.) already levied on profits from certain property transactions. The total of some Frs.1.8bn. (£205m.) is equivalent to only 3.3 per cent. of the sum raised already by the country's comparatively gentle income tax. In the U.S. the ratio is 7 per cent. The revenue of £205m. compares with the £381m. raised by capital gains tax in Britain in 1974-75, although the U.K.'s much stiffer income tax meant that the proportion of inland revenue in that financial year was only 2.7 per cent.

M. Jean-Pierre Fourcade: taking the heat.

Few assets will escape the new tax, but M. Fourcade is offering very generous deductions for length of ownership and for inflation. His declared aim is above all to bring into the tax net those people—probably no more than 30,000—who make a living from short-term and essentially speculative capital gains. Of the 13m. income tax payers, only 250,000 to 300,000 will be in any way concerned by the scheme. Gains treated most harshly will be those on goods held for less than two years. In their case inflation will not be taken into account and the tax will be levied at the rate due from the taxpayers concerned. Conversely gains on an asset held for 40 years or more will be no longer liable at all. Beyond two years, inflation may also be deducted, preserving the distinction between real and nominal capital gains. The U.K. does not differentiate between long and short term gains, and neither it nor the U.S. allow for inflation. M. Fourcade is exempting completely business capital gains made by farmers and small traders, as well as those accruing from the sale of a main residence, of bonds, and — perhaps less justifiably — of the Frs.20 gold Napoleon coin, the most cherished talisman of a nation of gold-hoarders.

Part of the trouble, of course, is of the Government's making. The two years between the threat and its implementation have allowed irrational fears to fester and the rich to make their own arrangements. Far more capital than will be raised by the new tax has already been shifted into the safety of Swiss bank accounts. The other serious criticisms of the tax are that it is too complicated (but where are taxes simple?), and that the Government has taken a sledgehammer to crack a nut. It is sarcastically pointed out that as much money could have been raised by putting up the price of petrol here by 1p a gallon—and three times as much by lifting by 1 per centage point the rate of VAT on luxury goods.

Another justifiable fear is for the Bourse, a sickly creature at the best of times, and for industry. If shares are liable, it is argued, companies will find it harder than ever to raise funds on the stockmarket, and be forced to borrow more from the banks and the bond market. The signs are however, that the French public at large is taking a rather more phlegmatic view than the politicians, whose eyes are unrelentingly fixed on the key Parliamentary elections of March 1978.

The Gaullists, at best lukewarm supporters of President Giscard d'Estaing are tying themselves into knots trying to marry their basic loathing of a capital gains tax to their duty to remain loyal to the President's reform programme. Some, like the Assembly President, M. Edgar Faure, complain that the "complicated, obscure and inadequate" bill tabled by M. Fourcade is a parody of the limpid masterplan conceived in the Elysée Palace. Others have been reduced to pleading for a straight wealth tax —even though they have in the past branded such a device as the final iniquity, which would be even more unpopular than a capital gains tax.

Against all this, the opposition from the Left looks sincerity itself. They claim—with some reason—that the project will hit those who are building a fortune, rather than the privileged few who already have one. Death duties in France are a shadow of those in the U.K., on a directly inherited estate, they never exceed 20 per cent., compared with a theoretical maximum of 60 per cent. (the top income-tax rate) for capital gains.

The need, however, to win votes in 1978 is producing some curious shifts in position, not only the Socialist leader, M. François Mitterrand, but that recently reformed character M. Georges Marchais, leader of the French Communist Party, are setting themselves up as champions of the second home and the little man, who will see his hard won savings taken from him.

What is going to happen? For M. Giscard d'Estaing, the tax must go through. If it is rejected, or unrecognisably watered down, his pretensions to be a reformer of French society will have taken a fatal blow. Earlier reforms, like abortion and divorce, were frequently merely rubberstamping what public opinion had long been saying and in any case were sure of Opposition backing. The capital gains tax is his first attack on real inequality of France, and on the vested interests of the classes that supported him in the 1974 Presidential election. This time, moreover, Socialists and Communists who want a more sweeping overhaul of the French tax system, will vote against.

Nonetheless, horsetrading there will certainly be. M. Fourcade is holding the door open to changes in the proposals covering share dealings and the second residence. Old people may receive further exemptions and the period for which an asset must be held before it escapes the tax may be shortened. A deal will doubtless be struck along these lines among the coalition parties and the Bill will go through, to become law in 1977. The Bourse will not have collapsed, private wealth will have survived—and French society will look very much the same as before, with one of the greatest spread of wealth of any major European country.

The new tax is thought of great potential importance. The Finance Minister believes in a step-by-step approach to fiscal reform, on the grounds that anything too sudden might have dangerous consequences in a country as set in its ways as France. If the hullaballoo which has greeted the capital gains tax plan is anything to go by, he is surely right.

But his foot is now in the door, and to push it a little wider will be a simpler matter. What is more, the mechanics of the existing French system mean that the very fact of having to declare capital gains for tax may reduce the central problem of taxation here—the wholesale income and VAT tax evasion which costs the Treasury up to Frs.50bn. annually.

The Government is making progress, and unpaid taxes netted by Finance Ministry checks last year brought in some Frs.10bn. of extra revenue, double that of 1974. But as a recent report underlined, France's 2.3m. self-employed declare to the tax authorities only half (and often less) of their real earnings. To straighten things out would require 12,000 new inspectors, and this alone explains why M. Fourcade argues that a wealth tax, with 12m. to 15m. fresh declarations required, would be administratively impossible, and why he is relying on spectacular hounding of the famous to drum home the message that fraud does not pay.

The new tax should help this process of "moralisation" by making it to people's advantage to put a higher initial value on their assets. The Treasury will gain a clearer idea of what Frenchmen possess, as opposed to what they say they possess. If income tax revenue could be increased, the day would edge nearer when indirect taxes may be cut, and this, perhaps more than a fledgling capital gains tax, would make the French tax system fairer.

EUROPEAN NEWS

Bundesbank raises reserve requirement for the banks

BY NICHOLAS COLCHESTER

BONN, May 4.

THE COUNCIL of the West German Bundesbank to-day decided to raise its minimum reserve requirements on bank liabilities by 5 per cent. retoactively from May 1 and by a further 5 per cent. on June 1.

The measures are designed to absorb liquidity put into the banking system by the wave of currency speculation of March and April, and the Bundesbank's President, Herr Karl Klasen, stressed to-day that they did not signal a return to restrictive monetary policy.

Nevertheless, the decision is the first in a restrictive direction since the German economy started its recovery last summer. It follows confirmation yesterday of similar thinking on the part of the U.S. Federal Reserve and it comes at a time when West Germany's economic managers are becoming confident of sustained recovery and more alert to the risk of revived inflation.

In explaining the move the Bundesbank Council said that without the increase in reserve requirements the German banking system's free reserves would have increased from DM15.3bn. in March via DM16.5bn. in April to DM19bn. in May and DM20bn. plus in June. As a result of to-day's decision free liquidity would be held down to the March level, the Council claimed.

Until recently the DM10bn. of new liquidity that was created by pro-Deutschemark speculation and by the Bundesbank's intervention in the currency markets had been neutralised by depositing an equivalent amount of money raised by the public sector in the Bundesbank. It was because this money was due to come back into circulation that the Bundesbank acted.

Underlining the robust economic background to the Bundesbank's move, Karl Otto Poehl, Secretary of State in the Finance Ministry, said to-day that real economic growth in the current year of between 6 and 7 per cent. was possible for West Germany. This estimate compares with the recent forecast of 5.5 per cent. made by the Economics Minister, Hans Friderichs. Herr Poehl also reprimanded industry for recent price increases. These may have been one of the factors that pricked the Bundesbank into action to-day.

Loans and aid worth $1.5bn. by the EEC

By Guy de Jonquieres

BRUSSELS, May 4.

COMMON MARKET Foreign Ministers to-day set a level of about $1.5bn. (1.25bn. units of account) on aid and European Investment Bank loans to be granted to a mixed bag of Mediterranean non-member countries over the next five years.

The recipients will include four Arab countries, though in deference to misgivings, notably on the part of the French, the Ministers left open the question of whether Israel will benefit from the arrangements.

Responsibility for settling this point has been turned over to the committee of permanent national representatives. But provision for eventual disbursements to Israel have been made in a "reserve" of 40m. units of account set up as part of a total allocation of 800m. units of account in EIB loans.

The permanent representatives have also been charged with working out the precise distribution of the funds and the financing of the aid portion, which totals 450m. units of account. They are also likely to be urged by the Dutch to pay out the money over four rather than five years.

The only country to have been assigned a precise share so far is Portugal. It will receive 200m. units of account in loans and a further 30m. units in aid, representing subsidy on the interest charged by the EIB.

West German printers act against editorials

BONN, May 4.

CHARGES of censorship marred the reappearance to-day of West German newspapers for the first time in six days.

Striking printers went back to work at the country's 450 daily newspapers, while union and employers' representatives discussed a union demand for a pay increase. Two newspapers, the Hanover edition of the Bild, and the Frankfurter Neue Presse, had a blank white space where the editorials usually appear.

The newspapers said the printers refused to set type for editorials that charged the printers' strike had been interference with freedom of the Press. The German Journalists' Association joined the two newspapers in condemning the printers' refusal to print the editorials.

As negotiations were set to resume in the city of Mainz, there were reports that the union was hoping for a settlement above 6 per cent. It was understood that union leaders threatened to strike again if the talks failed. Printing workers want 9 per cent. wage increases, and employers have offered 5.4 per cent.

Meanwhile, a public opinion institute found that 78 per cent. of the German public missed considerably their newspapers during the stoppage, the longest for more than 20 years.

Amateur football clubs complained their crowds were 50 per cent. down for lack of Press publicity, and a car salesman said he had lost 300 potential clients. Business was lost at cinemas and dance halls, and by call girls who rely for trade on discreet Press advertising. Publishers were reported to have lost more than DM60m. (over £12m.) a day in advertising revenue.

● West Germany's Chemical, Paper and Ceramics Union has called on 4,700 employees at four German rubber plants belonging to major U.S. tyre makers to refuse overtime work in support of an American rubber workers' strike, AP-DJ reports from Hanover. The plants are Gummiwerke Fulda, a Fulda-based Goodyear subsidiary, Deutsche Goodyear GmbH of Karlsruhe, Uniroyal AG of Aachen and Goodrich GmbH in Koblenz.

Agencies

Consul accord

BRITAIN yesterday became the first NATO country to conclude a consular convention with East Germany, Reuter reports from East Berlin. British Ambassador Percy Cradock and East German Deputy Foreign Minister Kurt Nier signed an accord which provides the legal basis for each country to look after its citizens.

The only other non-Communist countries with consular agreements with East Germany are Austria, Finland, India and Guinea. Several of Britain's NATO partners—the United States, France, Belgium and Italy—are also negotiating with the East Germans.

Britain calls for 50-mile fish limit

By Robin Reeves

BRUSSELS, May 4.

BRITAIN to-day told her Common Market partners that a revised common fisheries policy (CFP) must allow for exclusive national offshore fishing zones as wide as 50 miles. The Brussels Commission's proposed limit for exclusive national fishing of 12 miles will not meet the U.K.'s needs, Mr Roy Hattersley, Minister of State at the Foreign Office, insisted before the EEC Council of Miinsters.

Mr. Hattersley was spelling out for the first time in any detail, the Government's demands on revision of the CFP in the light of a general move to 200-mile economic zones, expected to result eventually from the UN Law of the Sea Conference.

In a very diplomatically worded statement, Mr. Hattersley told his colleagues that the Government had rejected the British Fishing industry's demand for 100-mile exclusive limit as "unobtainable."

Instead, he appealed to the Council as "friends and colleagues," to recognise that the 12-mile Commission proposal was inadequate for the country's needs.

He said the Government had been examining the key fishing areas for the U.K. beyond 12 miles and had found that many of them were within 35 miles and all within 50 miles. While there would be much to be said, he continued, for as wide a uniform band as possible, the Government would be ready to consider a variable belt with the precise width to be determined by regional considerations.

Mr. Hattersley insisted to journalists afterwards that the up-to-50-mile demand was not "a negotiating gambit, propaganda exercise or auction."

It represented the needs of the U.K. fishing industry and what the Commission must do its best to provide.

He admitted that "candidate" areas for a 50-mile exclusive limit included Scottish waters, the fishing round major ports like Hull and Grimsby and off other areas where, as he put it in the Council, there could otherwise be economic and political difficulties especially of a regional character. He had appealed effectively for Community solidarity on this point.

Lira sinks to a new low as fears of Communist election advance persist

BY DOMINICK J. COYLE

ROME, May 4

AS ITALIAN political parties prepare for the formal mid-week start to their 45-day general election campaign, the lira suffered a further sharp decline and a number of new indicators available to-day confirm both the underlying weakness on the balance of payments position and the continuing inflationary pressures in the economy.

The central committee of the Christian Democrats, who will be trying desperately in the June 20-21 election to maintain their position as Italy's largest political party, in the face of a strong challenge by the Communists, met this evening to prepare election lists and to start work on the drafting of the party's manifesto.

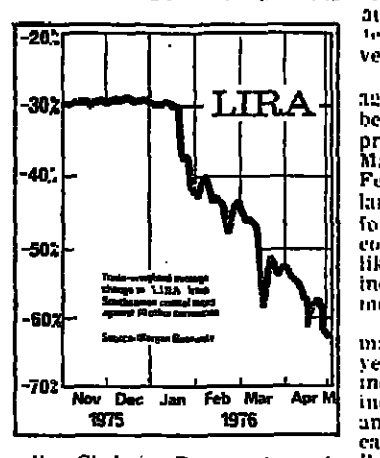
The party manifesto has much less relevance in Italy that, say, in Britain, in terms of setting out clear electoral commitments, but observers here will be watching the Christian Democrat blueprint very carefully to determine the respective influence of the party's Left- and Right-wing factions. Just prior to the final collapse of the administration of caretaker Prime Minister Sig. Aldo Moro last week-end, the Christian Democrats were at some pains to present a united party image, despite signs that the more conservative elements were wining out in their campaign to represent the Christian Democrats as an integrationalist, pro-Vatican and thus staunchly anti-Communist Party.

Sig. Benigno Zaccagnini, the party secretary, and to a large extent, Sig. Moro, are to the Left of the party, although still opposed to a direct Government role for the Communists, and there is considerable interest here to see what influence they will have on the Christian Democrats' election policies.

The Communists, with one in three of the popular vote on the basis of last year's regional elections, will be meeting to-morrow, and for them electoral strategy could be vital. The party did not want an election at this time, and its leadership will be anxious to use the campaign to demonstrate its determination to "act responsibly" whatever result emerges from the elections.

Thus, the party can be expected to continue to insist on the desirability of the so-called "historic compromise," or grand coalition of all democratic forces in Parliament after polling day, whatever the actual outcome in terms of party political representation.

Indeed, the Communists would almost certainly be unhappy if they were to emerge as the largest single party and with a significant lead over the long-



ruling Christian Democrats, particularly if their Parliamentary strength, combined with that of the Socialists, Italy's third largest party, would give a "popular front" formula a theoretical working majority.

Fears of a major Communist advance continue to dominate the foreign exchange markets, and the lira fell a further 14 points to-day against the dollar to a record low of 917 an effective devaluation of over 33 per cent since January 20 last, when the authorities were obliged to close temporarily the market to prevent a major run on the currency.

The fall in the lira's value against major currencies is now being reflected in sharply higher prices. Wholesale prices in March were 4.6 per cent. up on February, representing the largest month-to-month increase for two years, and suggesting that consumer prices in April are likely to exceed the 2.1 per cent increase recorded the previous month.

A number of leading motor manufacturers to-day announced yet another round of price increases. Most Fiat models increased by 5 per cent., Ford announced a similar rise, Opel cars go up by 8 per cent. and Renault models by 4.5 per cent.

Finally, Italy had a deficit of L592bn in March on external merchandise accounts, the largest for 21 months. This compares with a deficit of L211bn in March 12 months ago.

Portugal seeks decision

BY PAUL ELLMAN

LISBON, May 4.

PORTUGAL'S military leadership was meeting to-night to discuss the burning question of the country's presidency.

Although this could not be confirmed officially, it was understood that members of the Revolutionary Council would try to make a final decision on whether General Ramalho Eanes, the Army Chief of Staff, will declare his candidacy.

The General has been the subject of persistent wooing by civilian political leaders ever since the general election of April 25 produced a stalemated result. In the process, General Ramalho Eanes has indicated a number of tough conditions he would expect to be met.

These are believed to include that he would run unopposed in the presidential poll scheduled for two months' time, thereby turning it into a form of plebiscite.

A major stumbling block in the way of a final announcement that Gen. Ramalho Eanes will run has been the problem of choosing his successor as Army Chief of Staff.

This post has acquired added importance lately as military chiefs prepare to reorganise the Army to make it more effective as a conventional Nato force.

Among candidates currently being mentioned in Lisbon is Lt.-Col. Firmino Miguel, a leading member of the "shadow cabinet" General Ramalho Eanes has built up at Army headquarters since he co-ordinated the crushing of last November's abortive left wing rebellion.

Danish deficit

Denmark's trade deficit increased to Kr.2.087bn. in March our Copenhagen Correspondent writes. The March deficit this year was the biggest monthly deficit since January 1974 and the second biggest monthly deficit ever. The first quarter deficit was Kr4.977bn. compared with Kr1.892bn. last year. Exports were up by 11.6 per cent. to Kr13.180bn. and imports by 32.7 per cent. to Kr18.157bn.

Bank strike plan

French banking unions have said that they plan to call a national strike of bank employees if pay demands are not met at a meeting with management later this week, Reuter reports from Paris.

Cypriot plans rejected

Greek Cypriot leaders have rejected a Turkish-Cypriot proposal that the two feuding communities in Cyprus set up separate states within a Federal Republic, the Cyprus news agency said yesterday, reports Reuter from Nicosia.

The Turkish-Cypriot side's ideas on the island's future were handed to UN Special Advisor Perez de Cuellar last month and disclosed yesterday by the agency.

Mr Tassos Papadopoulos, the new Greek-Cypriot representative in the intercommunal talks, responded that the Turkish-Cypriot document contained "unacceptable propositions, assertions and demands," CNA reported.

The inter-communal talks, headed by Mr. Papadopoulos and Turkish-Cypriot representative Umit Suleyman Onan, are due to restart on May 12.

Spanish protest

Opposition sources said yesterday that scores of demonstrators arrested in the week-end May Day protests in Madrid had been fined sums of up to 200,000 pesetas (£1,600) reports Reuter from . A total of 283 people were known to have been detained in one of the most widespread crackdowns on demonstrators in the capital in recent years. The police did not release figures.

Greek MP's death

Greek judicial authorities continued their investigation into the death of liberal politician Alexandros Panagoulis yesterday after detaining a shopkeeper who said that his car was involved in the fatal road crash on Saturday, Reuter reports from Athens. Various youth organisations called on their members for a mass turn out at to-day's funeral of Mr. Panagoulis. The 37-year-old independent Member of Parliament was a hero of the resistance to Greece's former military rulers. His family has claimed that he was the victim of a political murder.

No joy in old age

Living longer does not make people happier, Dr. Halfdan Mahler, Director General of the World Health Organisation (WHO), said yesterday, Reuter reports from Geneva. While modern medical and health care has prolonged the lives of millions, longevity had not brought the happiness many assumed it would, he told the Organisation's annual three-week conference.

OVERSEAS NEWS

Bangladesh bloodless coup foiled

By Our Foreign Staff

AN attempted coup in Bangladesh was apparently foiled last Friday, according to reports reaching London from Dacca yesterday.

It was led by the chief of the Air Force, Air Vice-Marshal G. M. Tawab, who was also a deputy martial law administrator and a member of the ruling triumvirate under General Ziaur Rahman.

The attempted coup apparently took the form of a bloodless confrontation in General Ziaur's offices last Thursday and Friday, after which Air Vice-Marshal Tawab and the four other main conspirators were bundled out of the country. Air Vice-Marshal Tawab was put on a Bangladesh-Biman flight bound for London, while the other four were placed on a Thai flight for Bangkok.

The motives for the coup attempt remain something of a puzzle. But the names of the four other coup leaders—Col. Rashid, Col. Farukh, Major Dalim and Capt. Muslemuddin—tally with those of the ring leaders of last August's coup against Sheikh Mujibur Rahman, Bangladesh's first president who was then murdered along with many members of his family.

Sheikh Mujib was regarded by his murderers to be following too pro-Indian a line. Air Vice-Marshal Tawab, who himself was not involved in Sheikh Mujib's murder, is also known to feel that Bangladesh should pursue a policy of speedy reconciliation with Pakistan and to distrust overtly close links with India.

In fact, General Ziaur has been steadily improving links with Pakistan—though clearly not fast enough for Air Vice-Marshal Tawab and his colleagues. Bangladesh and Pakistan have recently exchanged ambassadors, and only last week a Bangladesh delegation flew to Karachi to conclude an agreement to resume direct trading links, severad after the 1971 war, with the hope that similar shipping and banking agreements would soon follow. Recently Bangladesh's relations with India have been strained over the vexed matter of sharing the Ganges' waters.

According to the reports from Dacca, the coup attempt was almost gentlemanly with the coup leaders depending on, but never being able to use support from certain sections of the Bangladesh army. Air Vice-Marshall Tawab's four colleagues, who had only recently returned to Dacca after being exiled in November, first to Bangkok and then seeking refuge in Libya, hoped for help from the Armoured and Artillery Corps, which they had originally commanded. The Air Vice-Marshal for his part hoped for some air force support.

President Franjieh threatens to stay if elections abort

BY MICHAEL TINGAY JOUNIEH, May 4.

AS fierce fighting continued in Lebanon and doubts grew about the chances of Parliament meeting as scheduled on Saturday to elect a new Head of State, it was authoritatively learnt here to-day that President Suleiman Franjieh may insist on staying in office even if a successor were chosen at the week-end.

At a brief meeting near here, Mr. Franjieh himself was unwilling to discuss political matters. However, it was explained by a source close to the Presidency that he will not climb down as long as he feels the country is "still in danger."

Mr Franjieh is understood to believe that a solution must depend on the choice of the right man. He is only prepared to resign and facilitate the installation of a successor when he is convinced that a suitable candidate has been elected and a settlement of the civil war is possible.

Syria the mediatory power, and the left-wing alliance under the leadership of Mr Kemal Jumblatt are still deadlocked by disagreement over who should become the next Head of State. The choice of the Left is Mr Raymond Eddé, the Maronite Christian who heads the National Block Party while Damascus is pushing for Mr. Elias Sarkis, the Governor of the Central Bank—who would presumably also receive the blessing of Mr. Franjieh.

This was not confirmed by the source, but he said "the question of resignation is left to the President. If he feels the situation is on the way to a settlement, he would resign as quickly as possible. If he feels there is still a danger—and look what a vacuum there would have been had the President resigned, say, last Saturday morning when the election was due—then he would continue."

He said possible "dangers" were any threat to the democratic system—despite all its faults—and signs that Lebanon's troubles were not diminishing.

His plan for their solution is a call on "friendly countries to help solve these problems, with arms and troops." He has in mind Syria, the U.S., France and Saudi Arabia.

Syria should primarily take on the task of maintaining security. Restoring economic confidence would fall to the Western countries—France and the U.S. For durable political solutions one would look to international organisations.

A Saudi Arabian role would arrive once Syria and the U.S agreed on the solution, which, the source maintained, should be a "Lebanese solution." This should be subject of a vast referendum.

In such a referendum, the source believed, "the questions of Lebanese neutrality might gain a majority from both Moslem and Christian communities." He went on "from a vast referendum you can get durable solutions."

New Bill to strengthen S. African police power

BY STEWART DALBY JOHANNESBURG, May 4.

AT LEAST 77 people are being detained in South Africa and four in Namibia (South West Africa) under security laws with only mixed prospects that they will ever be brought to trial, according to a hard hitting report by the Christian Institute of Southern Africa release here to-day.

At the same time as the release of the report, it is learned from Cape Town that the Government is seeking new powers to act against organisations and people it considers are engaging in activities endangering the security of the State or the maintenance of public order.

A new Bill—entitled The Promotion of State Security Bill—will toughen the powers the police have under the Suppression of Communism Act. A clause in the new Bill will empower any member to arrest and detain in custody for up to seven days without warrant anyone an officer feels is engaging in activities endangering State security.

The police can under existing legislation detain people indefinitely without trial. The seven day provision, however, is a specific loophole which the Government is tying up, it would appear, with regard to the possibility of urban terrorism.

Malaysian troops in border row

Thailand has told Malaysia to pull its troops out of the country after two days of mass protests at a border town two miles from the frontier, diplomatic sources said yesterday.

Foreign Minister Pichai Rattakul summoned the Malaysian ambassador Dato Abdul Rahman to his office and told the envoy Thailand wants the company-sized Malaysian unit pulled out of Betong, near the southern border, UPI reports. Both sides of the border are heavily penetrated by Communists and some police sources in Bangkok believe the Betong demonstrations are Communist-inspired.

Zambian arrest

Following the week-end arrest of the Governor of the Bank of Zambia, Mr. Bitwell Kuwani, his wife, and sister-in-law, the Zambian police have now arrested the Bank's Deputy Governor, Mr. Keonan Nkwabilo, our Lusaka correspondent reports. Mr. Kuwani and his relatives have been charged with receiving stolen government property worth Kwacha 100,000 (about £80,000. No charges have been preferred against Mr. Nkwabilo. Meanwhile, a Foreign Affairs spokesman has confirmed that a number of members of the South West Africa People's Organisation (SWAPO) have been placed in custody

Mercenaries trial

The trial in Angola of 13 foreign mercenaries captured by MPLA forces during the Angolan war will take place on June 8 before a new People's Revolutionary Tribunal, Justice Minister Diogenes Boavida has announced, Jane Bergerol reports from Luanda. Among the 13 are nine British subjects, an Irishman and three Americans. They could face the death penalty, the Justice Minister said. Among the British group are "Tony Callan" (real name Costas Georgiou) who is alleged by other mercenaries to have ordered the death by firing squad of 14 of his colleagues. The question of mercenaries is also to be brought before an "International Commission of Enquiry," which will recommend action to prevent further mercenary actions, by putting forward proposals to international organisations such as the OAU, the Justice Minister said. Angola will bring to trial "every mercenary we have taken prisoner," the Minister added

Pertamina debts

Indonesia has told foreign bankers that its troubled state oil company, Pertamina, has debts and payment obligations the equivalent of \$6.2bn., plus additional unspecified commitments on a tanker fleet, AP-DJ reports from Jakarta. The estimates were provided by Rachmat Saleh, Governor of Indonesia's Central Bank.

Crosland sees Foreign Minister in Peking

BY CHARLES SMITH PEKING, May 4.

BRITAIN is doing its best to convince China that it takes the Soviet "menace" seriously, but is also standing up for detente as an essential element in the maintenance of East-West stability.

This was one of the major themes of a speech delivered to-night by the U.K. Foreign Secretary, Mr. Anthony Crosland, at a banquet hosted by his Chinese opposite number, Mr. Chiao Kuan-hua.

Mr. Crosland handled the subject with some care, avoiding explicit references to the Soviet Union and even refraining from use of the word "detente" during his entire speech.

But the effect was to draw a a clear difference between British and Chinese thinking on the Soviet problem, though without denying the validity of Chinese fears.

Mr. Crosland said at one point that Britain would certainly keep up its guard—adding the word "certainly" to a prepared text which had previously omitted it. However, he also pointed to the need for détente in a sentence which read: "Defence and deterrence are not enough."

Britain's advocacy of deterrence plus detente, which was apparently put forward during private talks with the Chinese Foreign Minister this afternoon, as well as in the banquet speech, does not appeal to the Chinese and is likely to be one of the subjects on which the two countries will have to agree to differ during the current three-day session of talks.

There was far closer agreement to-day on the other main subject discussed—the future of the EEC and Britain's commitment to it.

Mr. Chiao Kuan-hua made a strong appeal for European political unity in terms which came close to echoing statements on the same theme by leading Europeanists such as Mr. Edward Heath. Mr. Crosland said he wanted to see Europe turn more towards political unity and did not wish the EEC to preoccupy itself with nuts and bolts issues.

Mr. Crosland's problem so far has been to convince the Chinese of Britain's seriousness and reliability as a member of the Western community, without going all the way with some of the more intemperate Chinese views on the Soviet Union. Chinese reactions to the talks were not immediately apparent, since to-day's session took the form mainly of Mr. Crosland replying to close and continued questions by Mr. Chiao. But it was clear that Europe and the Soviet Union were the prime areas of Chinese interest by the heavy concentration of questions on these themes.

China is believed not to have gone deeply into the Southern African situation, which it was previously expected to raise with the U.K. Apart from the major issues of Europe and the Soviet Union, there seems to have been close interest in the current state of Britain's economy and prospects for North Sea oil.

Apart from the review of international issues, Britain has "placed on the table" a variety of bilateral matters which it would like either settle or at least to raise with China during the current round of meetings.

An evening with Ching and Emily

BY COLINA MacDOUGALL

Mme. Chiang Ching (right) perhaps influenced the purchase of "Wuthering Heights."

THE CHINESE Government has just made a rare purchase, buying a print of the film "Wuthering Heights" (regrettably, the 1971 remake, not Laurence Olivier's 1930s version). The decision could only have been made with the approval of Peking's cultural over-lord, Chiang Ching (Mme. Mao Tse-tung), herself an actress. How this Yorkshire tale of all-consuming love up to and beyond the grave can possibly exemplify the class struggle in a meaningful way must baffle all but the most ingenious China-watchers.

But while it is difficult to imagine Mme. Mao identifying with a Bronte heroine, the choice reinforces the view that she, as a major radical protagonist in the current power struggle in Peking, is a woman with a strong taste for passion and drama. In the last few months it has been fed by the campaign against her political and personal enemies which culminated in the riot in [illegible] on April 5 and the ensuing dismissal of Vice-Premier Teng Hsiao-ping. Like Heathcliffe, she is plainly a good hater.

The struggle is obviously continuing as the radical Press fuels it with further attacks on Teng and other capitalist roaders, but after the brief outburst into the public eye, it has vanished again behind the normal Chinese conventions of historical analogy and on-laughts on a handful of named baddies. But the disturbances show that there is a tide of feeling in favour of the policies of the later Premier Chou En-lai which, if stifled, can only produce further clashes.

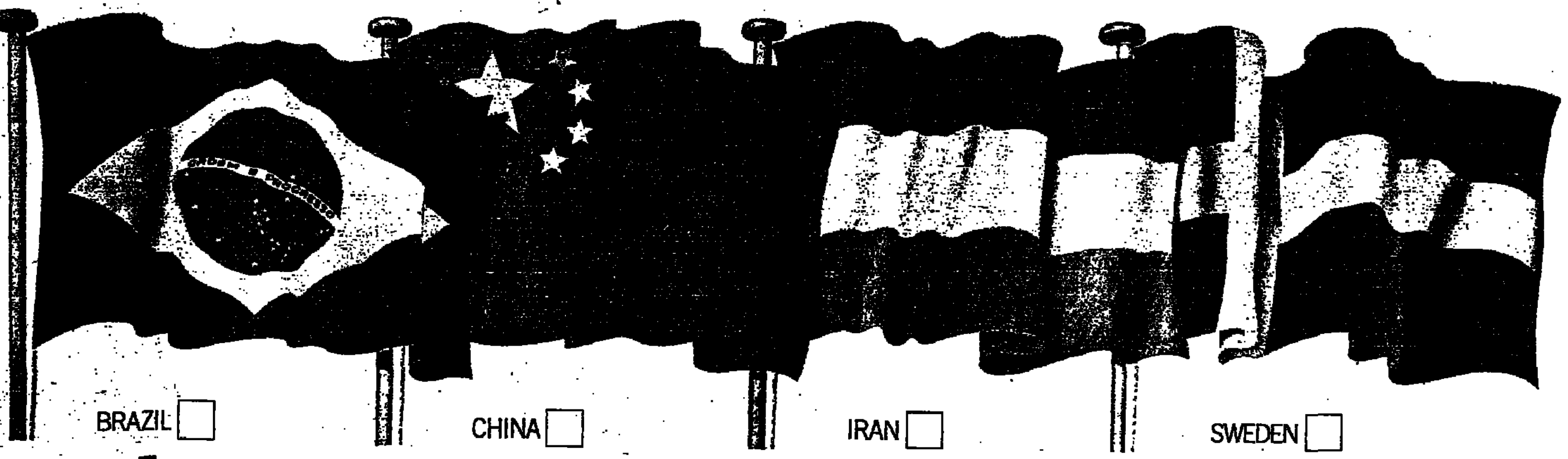
Mr. Antony Crosland, the Foreign Secretary, is unlikely to see many of the undercurrents in the drama during his current visit to Peking. His main contacts will be with his Chinese opposite number, Chiao Kuan-hua, though he is expected to meet the new Premier and first party vice-chairman, Hua Kuo-feng. Chiao reiterated only last week to the Japanese ambassador in Peking that foreign policy had not been affected by the leadership changes. So far, then, one can assume that the outward-looking attitudes that China has maintained in the last few years are unchanged, and that the policy of cultivating Europe (and therefore Britain) as a barrier to Soviet westward expansion continues.

The tenor of recent speeches and articles in the Peking Press is that the Soviet Union continues to be the main danger in the world. As much of Chinese foreign policy stems from that fundamental view, there are not likely to be many changes. As far as Britain is concerned, while the Chinese prefer the Conservatives to the Labour party, they are reassured that London is keeping a tactful distance from Moscow. Last winter's sale to Peking of Rolls-Royce military aero-engines and accompanying production facilities would have been a sign that Britain was steering a middle course. The question of Hong Kong is a potential irritant, but while Peking's foreign policy remains pragmatic this is not likely to come to the fore.

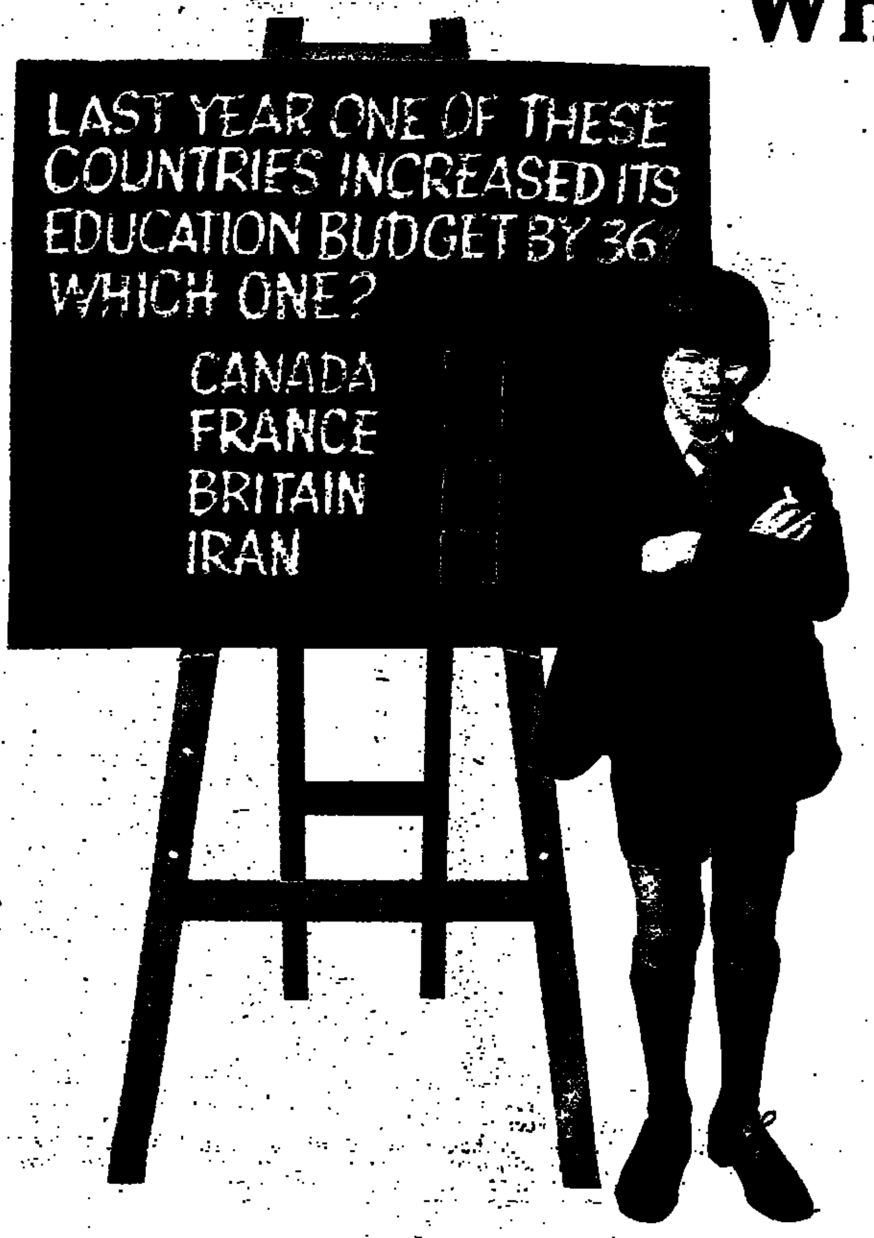
Although Mr Crosland's visit will probably pass off in conventional quiet, the fact remains that the Peking government has just had to cope with the most significant outbreak of popular feeling in its 27 years of office. Although the Cultural Revolution saw terrible enmities and fierce bouts of fighting, it was, initially at any rate, a manufactured affair. This time, the demonstration of respect and affection for Premier Chou and his policies on the traditional grave-sweeping festival led to a fury when the wreaths were removed which seems to have been quite spontaneous. Western eye-witnesses do not support official Chinese news reports designed to blame the disgraced Vice-premier Teng and other counter-revolutionaries for deliberately engineering the outbursts.

In the top leadership, in spite of the re-emergence of most moderates since the dismissal of Teng, the radicals are far more in the public eye. The May Day line-up on Saturday put Chiang Ching prominently to the fore as did a reception last week when all the radical leaders took precedence in the listings over the moderates. The talented Vice-premier Chang Chun-chiao, who rose swiftly to the top from Shanghai in the Cultural Revolution through his support for her has evidently inherited one of Teng's important functions, that of receiving senior Western visitors. Last week for the first time he held talks with a group of U.S. Congressmen.

Overtly, then, the radicals are now on top. Thus it may be that while Chiang Ching's hostility to her husband's old colleagues has provided much of the driving force behind the radical campaign, unlike Heathcliffe in Emily Bronte's story, she has learned to channel her emotions into accomplishing her aims. But if the radicals strengthen their grip to the point where they can turn domestic policy sharp left, the explosion among the unwilling people of China could be tremendous.

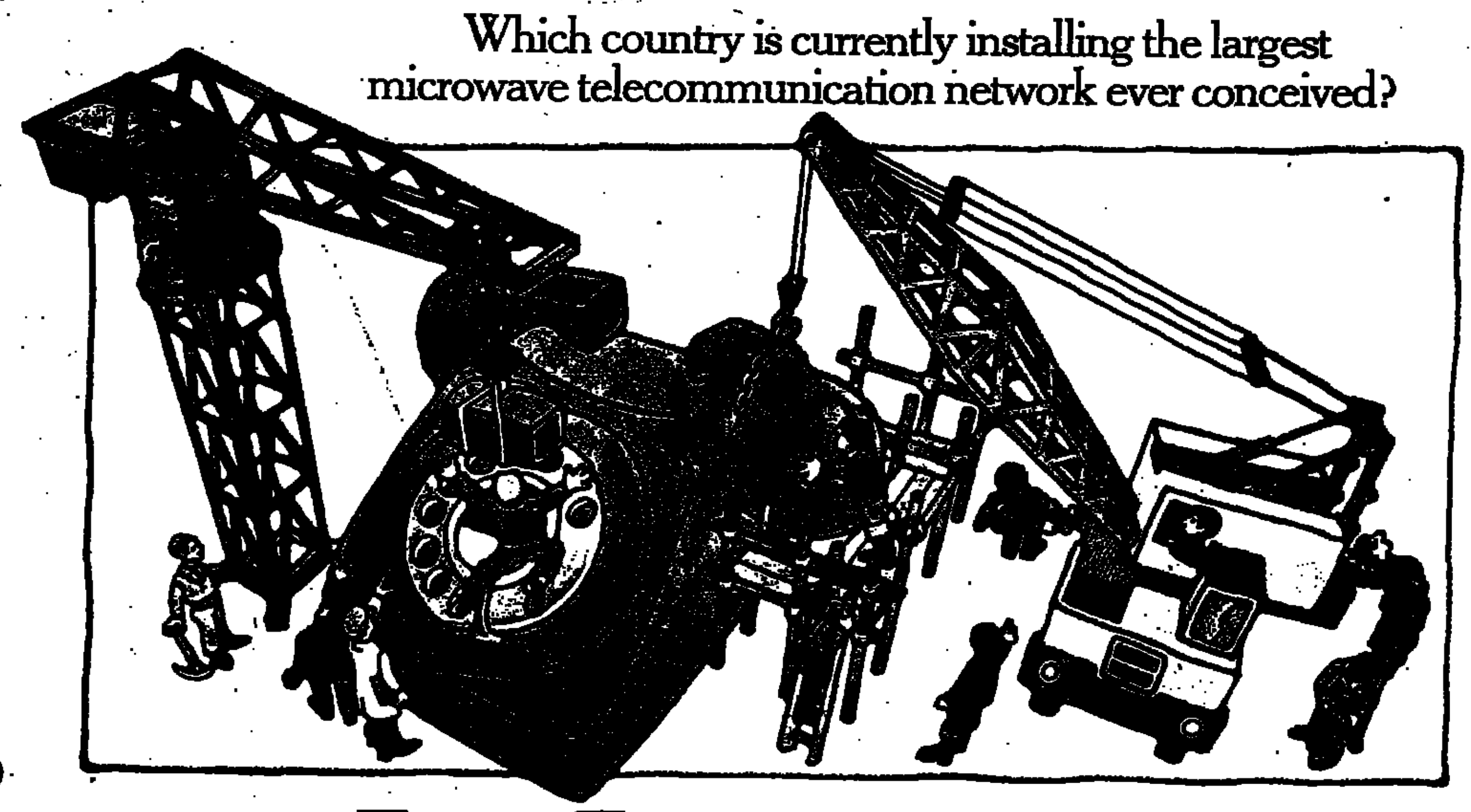


It's predicted that in 1990 the USA, Russia, Japan and West Germany will be the world's four leading industrial nations. Who's tipped to be No.5?



Who first gave the world these flowers?

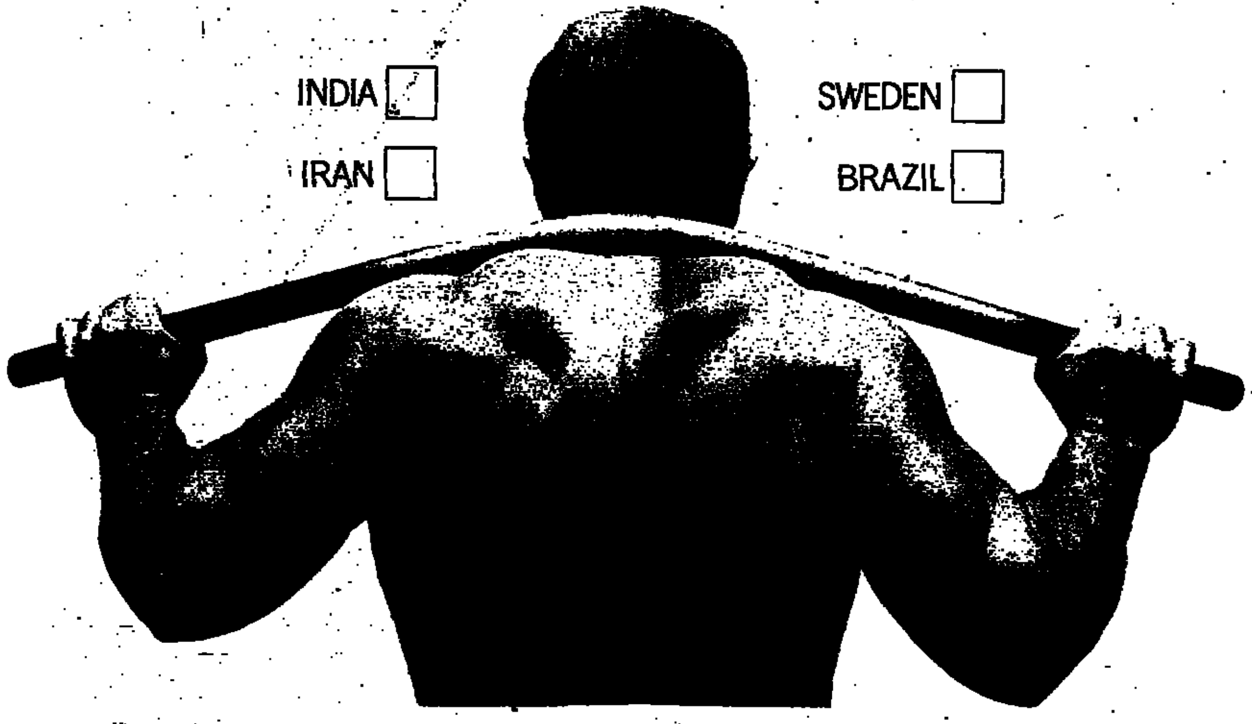
Which country is currently installing the largest microwave telecommunication network ever conceived?



IRAN ☐ USA ☐ WEST GERMANY ☐ JAPAN ☐

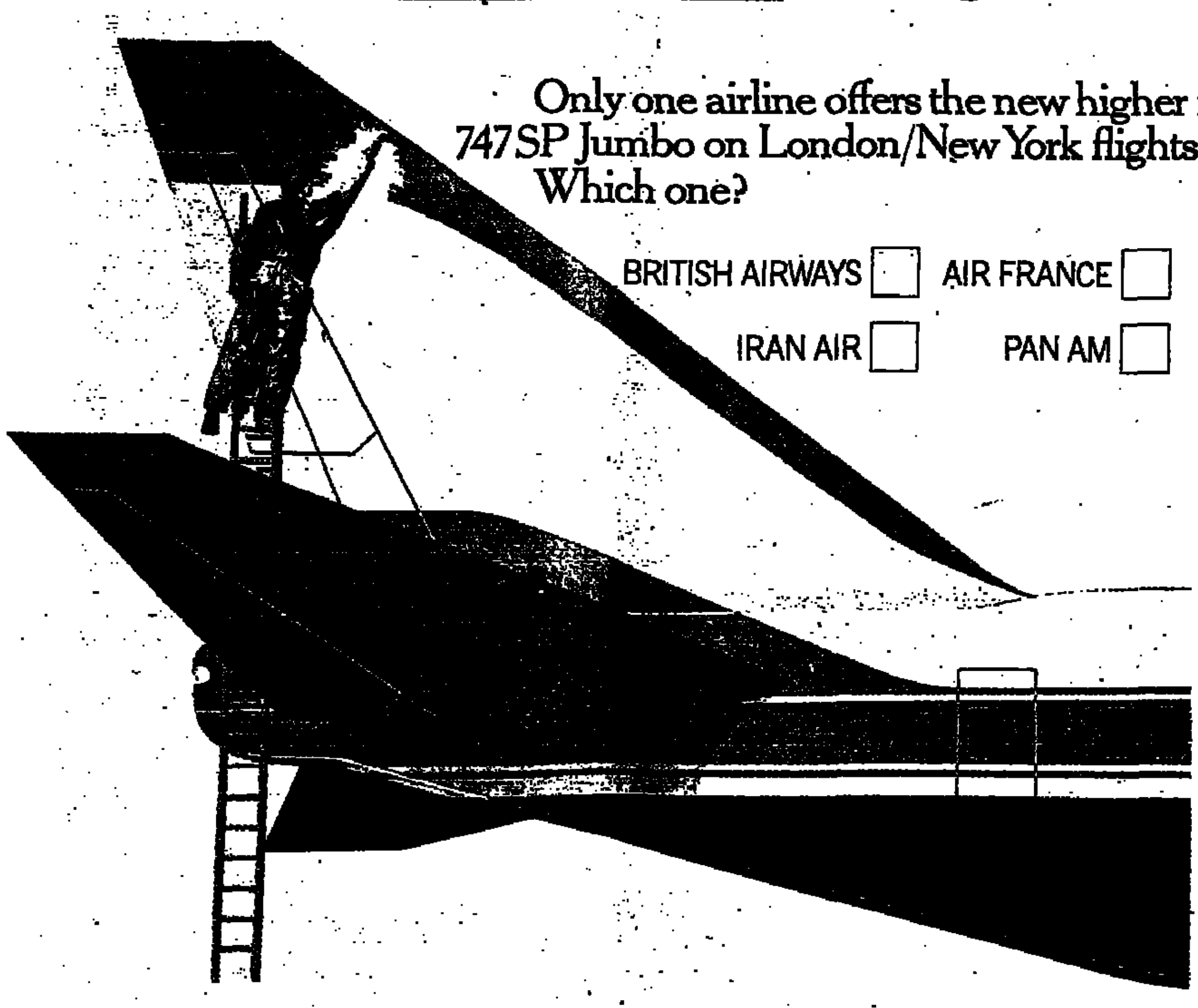
Which of these countries will be next to join the world's major steel producers? Pick the strong favourite.

INDIA ☐ SWEDEN ☐
IRAN ☐ BRAZIL ☐



Only one airline offers the new higher flying 747SP Jumbo on London/New York flights. Which one?

BRITISH AIRWAYS ☐ AIR FRANCE ☐
IRAN AIR ☐ PAN AM ☐



Iran. Iran. Iran. Iran. Iran. And Iran Air. They're the answers. They really are. And if you got them right, well done.

Now we'll tell you the purpose of the quiz.

We believe that an airline is only as great as its country of origin.

So by telling you about Iran's resources, her potential and her technical know-how, we tell you more about Iran Air than if we just said that our girls are prettier, our food tastier, or our planes more comfortable.

Not that you won't find pretty girls on our planes. You will. What's more, you'll find they're from France, Germany and England as well as Iran.

It's not as if our food isn't tastier, either. We think it is. Some of it's Persian and made from recipes 2000 years old. But all of it's fresh on every flight.

And because our new 747SP Jumbo flies a mile above everything else, including bad weather, we've got what's undoubtedly the most comfortable plane in the air.

And that's not pie in the sky. It's a fact. Like everything else on this page.

IRAN AIR
The world's fastest growing airline.

THE IRAN AIR ALL BOEING FLEET FLIES TO: NEW YORK, LONDON, PARIS, FRANKFURT, VIENNA, GENEVA, ZURICH, ROME, MOSCOW, ATHENS, ISTANBUL, CAIRO, TEHRAN, ABADAN, BAGHDAD, KUWAIT, JEDDAH, BAHRAIN, ABU DHABI, DHAHRAN, DOHA, MUSCAT, KABUL, KARACHI, BOMBAY, PEKING, TOKYO. ALSO SALES OFFICES IN MILAN, HAMBURG, LOS ANGELES AND HOUSTON.

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● SAFETY & SECURITY

Sets a trap for a thief

IDEAS FROM two Belgian companies, if combined, could provide banks and other centres handling large amounts of loose cash with a first-class deterrent to the hold-up gang.

The first idea is for a coded cash drawer which remains securely locked until one or more codes are punched. But only one of these codes is, in effect, the sequence that will open the drawer and do nothing else. Any other will release the drawer, but at the same time allow the high denomination notes, stored at the rear, to fall into a chute taking them down into a safe area.

Simultaneously, an alarm—which need not be audible—can be set off. This is where the other company comes in.

However, before describing the idea from the second concern, it is appropriate to point out that the coding in the first device is easily changed, and there are no visible wires that a thief might be tempted to rip out. The whole system can be battery-operated and there are warning devices built in to tell the cashier when the till is not locked that is if it has been pushed in but not far enough.

Where the second group comes in is in the provision of armoured glass sliding doors. The intention would be to provide the premises with two pairs of these in sequence. The inaudible alarm would unobtrusively close the outer pair and, when the intruders were attempting to get to that door, passing the internal pair, these would also close, trapping the hold-up gang—or so the theory goes. The internal doors would be actuated by the breaking of a light beam controlling the operating cylinder through a relay system activated when the alarm goes off.

Bullet-resistant glass is used in the structure of the doors and presumably in the walls of the lobby formed between the inner and outer pair.

They also are equipped with their own alarm devices which report when any attempt is made to force them against normal manual and electric locking devices.

In case of power failure it is possible to allow for automatic transfer to stand-by batteries and there also is the possibility of manual opening following a given procedure should there be a mechanical breakdown.

Further from the companies—La Cominière SA, Rue de la Science 5, 1040 Brussels; or S.A. Devilca FB, Rue du College 30, 6830 Bouillon, Belgium.

D-I-Y kit guards homes

BOATS, caravans, shops and homes can be given anti-burglar or intruder protection with some easy to assemble kits any handyman can put together with hammer and screwdriver.

A range of three kits from just under £20 to just under £60 is being offered at shopping centres all over the country. All three contain door and window contacts which will operate an alarm when a door or window is opened or closed or connecting wires are cut.

According to size, the kits also contain additional pressure-operated devices which can be fitted under doormats or on the treads of stairs.

The largest kit also has a fire sensor into the bargain.

Users can graduate from the initial system to full protection through the purchase of accessory packs and the company is providing demonstration models so that even the complete tyro can go home and set up the equipment without problems.

The equipment contains a particularly powerful alarm unit which should scare off even the most intrepid intruder. It would be very difficult to bypass even though installed by amateurs in the crime prevention game.

Further information from Dixons Photographic at Prinz House, 54, Pinner Road, Harrow, Middlesex. (01-863 9411.)

Tough nuts to crack

SAFE manufacturers are engaged in continuous covert conflict against criminals. In order to keep a step ahead of the latest additions to the burglars' armoury, unceasing and extensive research is necessary.

Chubb Research is a world leader in this work and its two latest safes embody developments several of which are unique.

The Renown safe falls into the lower middle bracket of safe security. Its barrier material, the Chubb F2, is resistant to explosive and drill attack in addition to flame cutting attack.

Essentials for quality safes are built into the Renown: boltwork which moves and engages from all four sides of the door and bolts which shoot right into the barrier material.

The Resolute has these some of which automatically operate every time the safe is locked, whilst others are sensitive to attack by heat, drill or explosion and activate as soon as the attack is felt.

features and its barrier is formed with Chubb Formulation 43, a new safe material which combines thermal strength and toughness with high drill resistance. The door is protected by TDR (Torch and Drill Resisting) material.

The locking and boltwork mechanisms in both safes incorporate many relocking devices.

Replacing asbestos

TO MEET demand for asbestos-free products in flexible and rigid form, McKechnie Refractory Fibres is increasing its ceramic fibre product range.

The fibre is available in three grades with an upper temperature limit of 1600 degrees C. They are not affected by steam or oils and have low thermal conductivity and shrinkage, while fitting to complex shapes presents no problems.

McKechnie is on POB 4, Widnes, Cheshire, WA8 0PG (051-424 2611).

● RESEARCH

Effects of the wind studied

THE effects of winds on a North Sea oil rig are being studied by British Aircraft Corporation, Commercial Aircraft Division at Filton, Bristol, on behalf of the Statoil/Mobil group, the Ninian Field project partners and other North Sea oil contractors and their consultants.

Using the wind tunnel at Bristol in which much of the Concorde aerodynamic research was carried out, BAC engineers are working at the problems and effects of high winds and icing on various critical parts of the structure such as the helicopter pad, the air conditioning inlets and the 400-foot flare stack.

The flare stack—a long slender boom cantilevered from the main structure at 45 deg.—is the pipe for burning off vapour at a safe distance from the production point, and is destined for a Statoil/Mobil Group platform in the Statfjord Field. Before construction begins, BAC have been asked to study the stack's dynamic behaviour in all wind conditions as well as the behaviour of the gas flame.

● FARMING

Concrete silos

FARMERS are being offered a kit to enable them to construct their own concrete silos by the Formwork Division of Mills Scaffold Company.

The kit includes all the equipment required to form free-standing walls or facilitate infill to a steel frame construction and may be hired or purchased.

Mills is also offering advice on general construction methods covering erection of the equipment, suitable foundations, quantity and mix of concrete required, concrete pouring, and correct striking (equipment dismantling) procedures.

Further details are available from the company at Bridge Street, Wednesbury, West Midlands, WS10 0AW. (021-556 3455).

● ELECTRONICS

Simplifies circuit testing

EASY, fool-proof checking of integrated circuits with the complete test procedure determined by inexpensive magnetic cards is offered by the Hewlett Packard 5045A.

Cards are available for a wide variety of logic families and functions on either a "pass/fail" or diagnostic basis. No changes of performance boards, adaptors or wired jumpers on patch panels are needed. The operator merely inserts the card into the front panel.

An interesting feature is that the pin sockets of the receptacle into which the device is plugged can be made to act as a driver, receiver, clock, power supply, input or output pin. In this way many kinds of logic and memories can be tested.

Read-only memories can be tested regardless of their program. A single card containing stimulus information for the generic type is loaded and a known good ROM containing the desired pattern plugged into the test socket. The tester then learns the program and stores it.

A quiet thermal printer provides the failure information: type of failure, pins failed, voltage and current analysis and total number of devices passed/failed. More on Wokingham 784774.

Emulates a memory for easy design

APART from microcomputers, read-only memories (ROM) are now widely used in industrial controllers to carry out complex combinational and sequential logic functions.

The performance of the system depends entirely on the instruction stored within the memory, and a good deal of development effort on these systems goes into getting the pattern right.

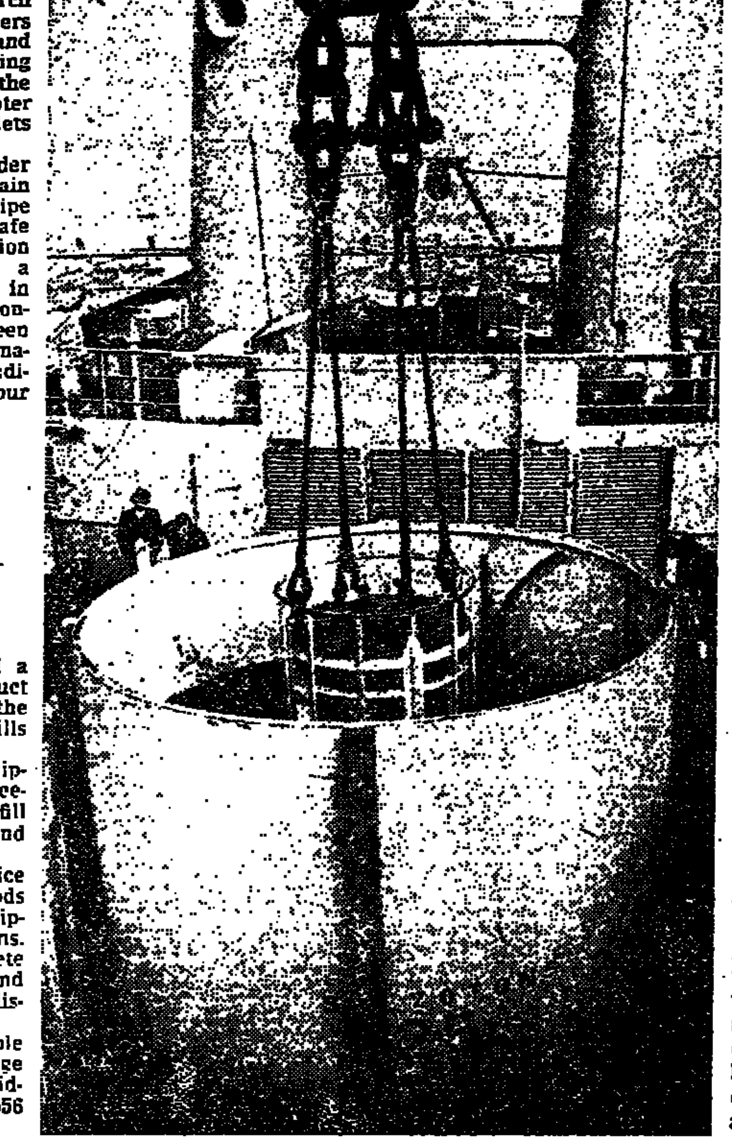
A device called the "Romulator" introduced by "Data I/O Europe" "looks like" a ROM to the system under development yet provides the designer with full random access facilities so that he can alter the contents of the ROM emulator easily and quickly.

There are two units, a keyboard programmer (calculator size) and a 1,024 byte random access memory (RAM) which terminates in a dual-in-line plug designed to fit the ROM socket on the board under test.

The keyboard enters the required instructions into the RAM and the current address and stored information are indicated on seven-segment displays.

It is possible to enter information into sequential locations or to change any single location as required. Alternatively the RAM can be programmed using any of the company's programmers.

Once the prototype system under development is functioning correctly the contents of the RAM can be transferred to a programmer to finally fix the ROM. More from 11 Duke Street, High Wycombe, Bucks (0490 22525).



"Snaking" submarine telephone cable down into the cylindrical holds of cable laying ships has come to an end with the design of the fifth ship bearing the "Monarch" name. In the new technique the cable is laid up into cylindrical pans ashore and dropped direct into the hold of the ship by floating crane. Our picture shows one of the 80 tonne units being loaded: total loading time for the ship's four main tanks is now three to four hours, compared with 60 to 80 hours previously. Cable ships at the Southampton depot can thus be turned round more quickly to take account of the weather and tides to help the Post Office in the faster repair of cables at sea: more than half of the phone calls to and from the U.K. now go by cable. Speed-up has also been possible in shore handling—the pans are manoeuvred on cushions or air, like a hovercraft, by tugs which also supply the air cushion.

Gives good night view

A SELF-contained night viewing system for general purpose use has been developed by ITT Components Group.

Taking the form of goggles weighing 30 ounces the 4907 system combines two second generation image intensifier tubes and an advanced electro-optical system in a fully adjustable face mask. Able to give a good view in moonlight or starlight, the goggles enable the user to use his hands freely.

Individual adjustment for each eye is provided and a built-in low level infra-red source provides supplementary illumination for map reading and other short range tasks.

Power requirements are supplied by a 2.0 to 2.7 battery. The field of view is 40 degrees, and no magnification is provided. The brightness gain is about 500 times, and automatic brightness control is used. More from Electron device division, Brixham Road, Paignton, Devon (0803 550762).

● PRINTING

Form setter works fast

IN CO-OPERATION with several printing groups in the U.S. and Canada, Disc n.v. in Ghent, Belgium, has designed a photo typesetting machine for commercial printed matter and continuous forms.

The machine permits accurate typesetting of any form, from simple to complex and is able to handle any size up to 20 inches; even very complex matter can be set with time savings of at least 75 per cent.

This machine, given the name "Digform," is composed of three units; a keyboard for the encoding and the checking of data, a PDP 11 computer, and a microcomputer - driven typesetter.

Graphic information is encoded at a keyboard, checked, and if necessary, modified.

One of the most important aspects of the Digform is its ability to compose texts, lines and screens in one single process. It also automatically produces the number of films necessary to print in several colours.

All graphic information is recorded on a magnetic memory (floppy disc).

Apart from traditional composition, the new machine is able to set characters, words, lines or groups of lines in areas that may vary infinitely; moreover, any centring is possible. The machine can set and adjust text in four directions.

All characters used in Europe and U.S are available. It is, moreover, possible to set any special style and types.

Disc is at Nieuwe Vaart, 272, Ghent, Belgium.

● DATA PROCESSING

Power for teaching

IN LAUNCHING its 2903 educational system recently ICL also announced that it had taken four orders which had already been delivered. Nene College, Falkirk College of Technology, the Kent Educational Computer Centre, and the North Staffordshire Polytechnic between them have bought systems worth £150,000.

The last of these institutions has had its system since August last year as it has been critically involved in the development of the BASIC compiler which goes with the system. The compiler is important because much of the computing done by educational institutions of the Polytechnic and local college variety is non-mathematical and near plain language. In this area BASIC is perhaps the most widely used language in education and there is probably more application software available than in any other.

The educational market 2903 begins as a basic package of 20K CPU supporting up to eight terminals through a 7502 terminal processor, a fixed disc store drive, a card reader, line printer and video console. The basic configuration is priced at £32,000.

A version capable of driving 16 terminals would cost £38,000. The system can support up to eight direct entry keyboards and could be linked on line as a satellite processing system to existing ICL 1900 machines. The basic software charge is £100 a month.

The 2903 educational system is an attempt by ICL to provide a system which could provide a complete computing service for a college or polytechnic. Hence the package put together gives access to software in a number of languages, including as well as Basic, Snobol, Lisp, RPG 2, Fortran, Algol and Cobol.

Four main application areas have been chosen. One is teaching across all subject matter, not simply mathematical of science-based. Two is the management of learning and three, the teaching of computer science, hence the system's wide range of facilities. Last come the classic managerial tools which can be applied to the management of the educational institution.

ICL is talking in terms of sales of 100 systems over five years. When it was pointed out that this was quite small for a market which, in institutions of higher education alone has 600 colleges and polytechnics (30 of the latter), no clear explanation was forthcoming.

However, this market is in a state of bureaucratic disarray. The 30 Polytechnics between them have some like 14 Atlas power of computing installed for a population nearly half that of the universities. These, by contrast, currently have over 170 Atlas power installed.

The average age of the Polytechnic computer systems now is around six years. A study of the computing power installed in them during the last two years indicates that on average it takes a Polytechnic about three to three and a half years to obtain a computer from the time the idea is mooted.

No two authorities have exactly the same procedures for procurement. And while the eighty plus Polytechnics and Colleges of Further Education will in the end have much of their computing power paid for out of central government funds, there seems to be no control, policy or direction within central government.

But the various steps in basic procedures are very long-winded.

The process of consulting sometimes as many as ten authorities can take from two to two and a half years. Delivery of course comes later, much later.

No one has accurately measured the cost of all these deliberations. Some experts indicate that there are cases where the costs of the purchasing procedures exceed those of the equipment.

The way the support grant system operates apparently should concentrate computing in the Polytechnics and Colleges of Further Education and starve the other institutes of computing power. In the case of the first, the Government makes a presumption that their training is largely in the national interest, so something of the order of 90 per cent. is usually remitted. In effect for every £100 cheque they write, they get £90 back. In the case of the College of Further Education, a fifty-fifty split is not unusual. However, in the case of local technical colleges for every cheque they write for £100 they only get around £10 back.

The situation demands close study and drastic changes.

● COMPONENTS

Liquid crystal use grows

ALTHOUGH most currently available digital wristwatches use light emitting diodes (LED) for the display, it has long been realised that they were less than ideal. The main handicap is the power consumption—typically 1 Watt/cm²—which necessitates switching off the display when it is not required, in order to conserve battery life.

It looks now as though the long awaited liquid crystal display (LCD) is set to challenge the LED in this application, with the announcement from British Brown Boveri that production levels of these devices are now running at 160,000 per month in Brown Boveri's Lenzburg factory, Switzerland. Principal customers at the moment are Switzerland itself, Japan and Western Europe in that order.

The Japanese company Casio has introduced a digital watch using a specially designed Brown Boveri LCD. The display gives the time in hours, minutes, and 10-sec. intervals; and a request button enables the month, day of the year, and day of the week to be read. The watch has a four-year cycle, and automatically allows for long and short months.

The material used is a twisted nematic type of LCD, which can provide better legibility, lower voltage and power requirements and a longer life expectancy than the dynamic scattering type.

The power requirement is less than 5 microwatts/cm², which means with all segments illuminated, the current consumption is only 0.2 micro amp at 3 volts.

In general, the liquid crystal display can provide either black digits on a bright background or bright digits on a black background. Temperature range of the displays is quoted as −15 to +60 deg. C. Another advantage is that the legibility of liquid crystal digits improves as the ambient lighting level increases. Anyone who has tried to read LEDs in very strong sunlight will appreciate this feature.

It is understood that an all U.K. assembled digital watch using a Brown Boveri liquid crystal display will be on the market very soon.

Further from the company: Albany House, High Street, Brentford. (01-568 8778.)

● MACHINE TOOLS

Mechanical workholder

BASIC PRINCIPLE of the Optima clamp is that the clamping force is obtained by moving a pin from an inclined position to a vertical position by turning a knob through 180 deg.—the force is transferred to the workpiece through a bolt. This mechanical workholder has been introduced by Spencer Franklin, Gunnersbury Avenue, London, W4 5QB (01-693 5382).

The maker says the system is fail-safe. The clamp remains effective until the clamping effort is actively removed.

● POLLUTION

Reducing copper in effluent

IN ORDER for plant which will almost eliminate copper from an effluent flow has been received by Ecological Engineering, Macclesfield, from Kemisk Vaerk Koge A.S. (KVK) of Koge, Denmark.

KVK makes many organic chemicals at Koge, on the east coast of Denmark, where stricter pollution control laws have led to the installation of new effluent treatment plant, principally a biological system with rotating discs. However, one of the effluent flows contains up to 400 ppm of copper and this is a serious threat to the micro-organisms in the biological plant.

Ecological Engineering has designed an electrolytic metal extraction unit, based on the Eco-Cell (patented), to reduce the copper content in the effluent from 400 ppm to 2 ppm.

Eco-Cell uses a rotating cylinder electrode. This allows metals, in effluent or other solutions, to be extracted and recovered as a continuous process giving a mass transfer often as much as 1,000 times greater than that of "plate in tank" cells. Ion-exchange membranes separate the anode and cathode compartments to avoid another problem associated with conventional electrochemical cells—that of severe anode corrosion as a result of contact with impure solutions.

Metals that can be extracted and recovered include copper, zinc, nickel, cobalt, tin, cadmium and precious metals. Solutions containing from 100 ppm to 2,000 ppm can be treated down to very low levels. Automatic control systems allow the Eco-Cell to accept substantial variations in metal concentrations.

Ecological Engineering, Hulley Road, Hurdsfield Industrial Estate, Macclesfield, Cheshire, SK10 2AB. Macclesfield (0625) 26238.

Design for silence

POLLUTION, is the "four letter word" of the 20th century, and as business and industry gets more sophisticated and mechanised so the pollution becomes more severe. One area which has not received enough attention is the problem of noise and its effects upon office environments.

Due to escalating costs more and more businesses are adopting an "open-plan" office environment and in doing so are exposing personnel at all levels to constant bombardment from typewriters, word processing machines, telex, teletype, computer terminals and so on. To reduce costs further, automatic typewriters and computer terminals are under constant development to increase their printing speeds and inevitably this means an increase of noise level.

Many companies have attempted to solve their own excess sound problems by isolating—in small offices or partitioning—the noisy machine from the general office. Acoustic screens have been used to some degree, and while this treatment assists to some extent, it does not cut the noise level at source.

Commercial Acoustics is making products that cater for most word processing equipment, computer terminals, line printers, accounting machines, electric typewriters and telexes. It is also experimenting with polyurethane structural foam which rates extremely high as far as acoustic properties are concerned.

Three main factors are applied to a new design: one is that the acoustic hood must not impede the access or operation of the machine to any marked degree; the effectiveness of the cabinet must be considerable: and it must be constructed in such a way that a realistic price can be put on the article.

Commercial Acoustics, Cathles Road, Balham Hill, London, SW12 9LD (01-673 3333).

Cuts tow rope in emergency

DESIGNED AND built by Tungum Hydraulics, Arle, Cheltenham, Gloucestershire (0242 25855), is a hydraulic shear able to cut a 3 inch diameter 380-ton breaking strain steel cable in less than one second.

Powered by a 4 hp electric motor, the unit has a fixed volume high pressure gear pump producing an output of 4 gpm at a maximum of 3,000 psi. This is fed to two 11 gallon rubber bag nitrogen-filled accumulators, each capable of storing 4 gallons of oil at 3000 p.s.i. Low leakage valves enable the accumulators to stay charged for extended periods. Pressure switches restart the pack for "topping up" when necessary.

Called the Porter Cutter, the unit has a single edged concave cutting tool of ½-inch thick chrome alloy steel, with supporting shoulders. The cutting edge cross section is V-shaped, with an ⅛-inch wide apex, and the parting action is as much to shear and rupture as cutting.

The blade is operated by an 8-inch bore double-acting cylinder, guided during its stroke between two hardened stationary cheeks which support and contain the cable during the cut. Each hydraulic accumulator has sufficient capacity to permit a first cut, a piston return, and second cut, although tests on untensioned wire indicate this is not necessary.

HOME NEWS

Tricentrol plans £4½m. boost for offshore work

BY RAY DAFTER, ENERGY CORRESPONDENT

TRICENTROL plans to raise £4.5m. through a rights issue to help finance its offshore exploration and development programme. At the same time, it is selling its interests in two North Sea blocks in order to concentrate on developing its share of the major Thistle Field.

The British-based group said yesterday that it would sell its 10 per cent. stake in blocks 15/21 and 204/30 to the German Deminex group and the U.S. chemical company, Monsanto. The total sum involved is $2.5m. (£1.37m.). Both Deminex and Monsanto already have a one-third stake in the concessions.

The deal, which is subject to contract and Government approval, is designed more to save Tricentrol expenditure than to raise cash.

Mr Joseph Godber
To head Tricentrol next month

Concentrating

Mr. Lucius Thompson-McCausland, the group's chairman, said that the commercial prospects of the two blocks were "by no means poor." However, they did not appear to justify the considerable development costs which would have to be financed in addition to those of the Thistle Field.

So Tricentrol is concentrating its offshore effort on Thistle while preparing to take part in the next round of exploration licences, expected to be announced this summer.

The group reported a drop in pre-tax profit from £1.01m. to £887,000 last year on an increased turnover of £56.1m. (£48.3m.).

The company recently gained a Government guarantee to raise up to £60m. through bank loans for the Thistle development. It is understood that on current cost expectations Tricentrol does not anticipate having to borrow more than £45m.; the remainder is a contingency arrangement.

Initial production from Thistle, in which Tricentrol has a 9.1 per cent. stake, is due by July 1977. The chairman, in his annual report, says that the cash flow should enable all of the development finance to be paid off in 1979.

The whole of the cash flow in the first two or three years would be channelled into the repayment of loans. However, it was anticipated that revenue from the field would continue until 1993 or, perhaps, later if other oil accumulations adjacent to the field prove to be a commercial prospect.

Tricentrol, which has net assets of just over £20m., said that a number of hazards must be faced before Thistle comes on stream. The project could be hit by delays, financing problems or a sudden fall in oil prices.

On the other hand, the group was making contingency arrangements should there be a delay in the development of the major Sullom Voe storage and transit terminal in the Shetlands.

Mr. Thompson-McCausland said that the single point mooring (SPM) system which was being installed to handle initial flows from Thistle, might be kept in use "indefinitely" or could be reactivated should there be any problems with the terminal.

The statement is the first to be made by an oil company suggesting that alternative arrangements might be taken to by-pass the terminal.

Needed

The oil industry is concerned that its disagreement with the local Shetlands authority over storage facilities could result in a significant delay to the operation of the terminal. This, in turn, could hit producion from fields connected by the so-called Brent pipeline system to Sullom Voe.

Tricentrol maintains that the back-up SPM system is needed to guarantee early production and cash flow from Thistle.

It was also announced yesterday that Mr. Joseph Godber, Conservative MP for Grantham and the former Minister of Labour and Minister of Agriculture, was to become chairman of Tricentrol from the annual meeting on June 18 when Mr. Thompson-McCausland retired.

Mr. Godber, who is also chairman of Sidney Banks and a director of Booker McConnell, joined the Tricentrol Board in a non-executive capacity in June last year.

Page 20

The Queen welcomes President Ernesto Geisel at Victoria Station, London, at the start of the Brazilian leader's four-day State visit to Britain. Behind them are the Duke of Edinburgh and Senhora Geisel.

Last night the Queen entertained President and Senhora Geisel at a banquet at Buckingham Palace. Between his arrival and the dinner the President had carried out the traditional duty of a visiting Head of State— laying a wreath on the tomb of the unknown warrior in Westminster Abbey.

● NEWS ANALYSIS—BANKRUPTCIES

Cutting the red tape

BY A. H. HERMANN

THE AUTOMATIC discharge of bankrupts—introduced into the Insolvencies Bill by a Government amendment yesterday—is a further step towards reducing the workload, and cost, of the insolvency service, one of the principal aims of the Bill right from the beginning.

There are probably 80,000 to 100,000 bankrupts who have never applied for discharge and the Bill, if it becomes law, would release them from all but a few privileged debts and restore them to full civil status.

Undischarged bankrupts must not contract new credits or become company directors, and their creditors have the first claim on their estate when they die.

The Insolvencies Bill, in its original form, introduced an automatic review of the adjudication of bankruptcy after five years, making the review, and thus the discharge, independent of application by the bankrupt who may be shy of further publicity or merely negligent.

Automatic review meant more work for the insolvencies service and the courts and in view of the demands made already would result in a pile-up of pending review cases unless the procedure was reduced to a formality.

Automatic

The amendment rationalises this situation by providing a possibility for automatic discharge—leaving to creditors to make representations against it if they think it worth while.

The amendment, which was not reached by the committee considering the Bill yesterday, would clear the decks of the Insolvencies Office in one broad sweep: all bankruptcy cases which are ten years old when the Bill comes into effect would be discharged automatically.

Cases between five and ten years old would be discharged automatically on the tenth anniversary of the adjudication. Cases which are less than five years old when the Bill becomes law will be reviewed on the basis of a report by the Official Receiver for the purpose of discharge.

The fate of all new cases will be preprogrammed at the time of the public examination, when it will be decided whether there should be an automatic discharge or review after five years.

If the court orders automatic discharge, it would still have the power to revise this decision and substitute an order for review, also after five years if it appeared desirable because of new evidence produced by the Official Receiver.

The Insolvencies Bill is intended to modernise and simplify existing bankruptcy proceedings by eliminating some of the trivial cases which now account for 40 per cent. of all bankruptcies.

The number of these small domestic and consumer credit cases will be greatly reduced by raising the minimum debt entitling a creditor to a bankruptcy petition from £50 to £200—although it is questionable whether this is high enough, in view of inflation. The Secretary for Trade will have power to make further increases by regulation.

By strengthening the role of the county courts, the Bill takes the first modest step towards an integration of the entire machinery of debt enforcement. It is hoped that the simplification of insolvency proceedings will avoid an increase of public expenditure by about £3m a year and cut it by £750,000 below the present level.

Some leading experts in the field—both official and academic—regret that the Bill is not concerned with the fundamental problem of relations between privileged and secured creditors, who usually get all that can be taken from the insolvent individual or company, and the ordinary creditors who are usually left empty-handed.

In practice, this means that the revenue and banks take whatever there is and the suppliers and sub-contractors of the sinking enterprise suffer losses which they cannot always bear.

In this way the insolvency can have a "domino" effect which, it is argued, is a matter of public concern and could be avoided if the banks and the Inland Revenue were made to bear their share of the loss.

It is further argued that, faced with such a prospect, banks might exercise a more strict control over credit which they grant to customers in difficulties, and would not allow them to continue trading and to endanger even more their suppliers and sub-contractors.

However, it is understood that these matters were left out of the scope of the Bill mainly because of the opposition of the Inland Revenue.

More port facilities for BRS

By Kevin Done, Industrial Staff

BRITISH ROAD SERVICES is to invest an initial £50,000 in expanding its freight facilities at Fleetwood to cope with the rapid growth of the roll-on roll-off trailer service to Dublin.

It gained the £3m. contract last year to handle all the U.K. haulage of the Irish state-owned shipping line, B and I.

Mr. Geoff Cowan, the manager of the British Road Services operation, said yesterday that there had been a tremendous development of the business in the last 12 months. The service is expected to carry 10,000 trailers this year on a door-to-door basis.

The Fleetwood development includes offices, maintenance fuelling services and large parking areas. Such has been the success of the Fleetwood-Dublin service that B and I is examining ways of expanding its roll-on roll-off freight services across the Irish Sea in order to increase capacity.

U.K. man-made fibre production recovery continued in March

BY RHYS DAVID, TEXTILES CORRESPONDENT

MAN-MADE fibre production in the U.K. continued its slow recovery in March and for the first quarter of this year it stands 6.2 per cent. up on the previous three months.

Figures from the British Man-Made Fibres Federation show that total production in the first quarter came to 159,790 tonnes, compared with 150,430 tonnes in October-December 1975. There was a low of 128,550 tonnes in the same quarter in 1974 when the recession was at its worst for the trade.

The industry still has some way to go before it catches up on the peak output of more than 180,000 tonnes recorded in two quarters of 1973.

The recovery in the first quarter of this year has come almost entirely in staple fibre, used in the Lancashire and Yorkshire weaving trades and in carpets.

Staple fibre output rose by about 9,000 tonnes to 89,000 tonnes while production of filament yarn—used, for example, in double jersey and women's wear fabrics—remained much the same at 69,990 tonnes.

Some of the increase in output reflects the re-opening in mid-January of Courtaulds' Greenfield plant in Clwyd, North Wales, which was closed for ten weeks because of lack of demand for rayon staple.

Resumption of production at the plant was largely responsible for an increase in output of cellulosic staple from 31,441 tonnes in the last quarter of 1975 to 37,644 tonnes.

This total is likely to fall when the figures for the second quarter become available after a decision by Courtaulds to close down half the capacity at the plant from the end of this month with the loss of 600 jobs.

With rayon, one of the original man-made fibres, coming under attack from newer fibres, and in particular polyester, a number of producers around the world have withdrawn from manufacture or curtailed production.

Enka Glanzstoff, the fibre arm of the Dutch chemical group Akzo, announced last week that it would stop rayon filament production at Arnhem, Holland, in July as part of its programme to eliminate loss-making operations.

MAN-MADE FIBRES PRODUCTION—TONNES

Quarters		Continuous Filament Yarn	Staple Fibre	Total
1972	1st	59,590	86,150	145,740
	2nd	65,840	96,050	161,890
	3rd	63,120	86,710	149,830
	4th	75,450	93,630	169,080
1973	1st	78,090	105,380	183,470
	2nd	79,370	106,750	186,120
	3rd	70,590	100,770	171,360
	4th	77,500	112,390	189,890
1974	1st	69,940	104,090	174,030
	2nd	71,690	103,440	175,130
	3rd	67,140	82,740	149,880
	4th	62,250	66,300	128,550
1975	1st	56,400	72,720	129,120
	2nd	61,870	86,900	148,770
	3rd	58,470	75,670	134,140
	4th	69,740	80,690	150,430
1976	1st	69,990	89,800	159,790

GKN caution on stricter accountancy standard

BY MARGARET REID

CAUTION about the succession of stricter standards of accountancy practice being recommended by the profession is expressed by Guest Keen and Nettlefolds, the big engineering group, in its annual report.

The complexity of some of the new information being called for by the Accounting Standards Committee of the profession is the main ground for the disquiet felt by GKN on some aspects.

Mr. Paddy Custis, the group's finance director, said yesterday that GKN's reservations on the matter were shared by other companies, large and small.

The group's annual report says: "For a group such as GKN, made up of a large number of manufacturing activities operating in many countries, there is a danger that the complexity of information required . . . will serve to confuse rather than to enlighten."

Mr. Custis cited the requirement to show deferred taxation liability (£35m.) on profit on the 1974-75 revaluation of the group's properties.

"Yet, if we were to sell"—and so bring the liability into effect—"we would go out of business. I begin to wonder where we are going with this accountancy exercise."

Mr. Custis also mentioned an example concerning Barclays Bank where auditors mentioned in their report that the bank's policy was to write off goodwill on acquisitions directly to reserve at the time of acquisition.

The auditors noted that the alternative of writing off goodwill to profit and loss account "would not represent the best accounting practice in arriving at the profit for the year."

Contrary practice

They said that the charge to reserve was "contrary to standard accounting practice."

Mr. Custis, who mentioned the question of treatment of extraordinary items, said that representations had been made to the Accounting Standards Committee. Some had been heeded, some had not.

"I think they [the committee] ought to listen more to representations from industry and ought not to be so specific in what they lay down." Other large concerns would have comments on the matter.

See also Page 22

Slightly more house starts likely

By Michael Cassell, Building Correspondent

PRIVATE HOUSE builders still expect nothing more than a modest improvement in output this year over the level achieved last year.

According to a periodic survey conducted by the Department of the Environment, builders expect housing starts in the private sector to reach about 160,000 this year, compared to the 148,000 total recorded in the previous 12 months.

It indicates no change in views about the housing outlook since the last review in November. The number of private homes ready for occupation this year also seems likely to be about 160,000, against 150,000 last year.

The rate of starts in the private sector has picked up quite well in the first three months of this year. Starts in January stood at 10,500, but by March had risen to 15,500, the highest monthly rate achieved for more than two years.

The stock of completed but unsold private homes has apparently continued to decline in recent months, releasing tied up capital for contractors and encouraging them to start new schemes.

The outlook for the availability of building society finance also looks safe for the foreseeable future and has clearly had a significant bearing on decisions to step up output.

The Department said yesterday that builders and property developers had an estimated 23,000 completed, or virtually completed, unsold homes on their hands at the end of February. At the end of last October the stock amounted to 28,000 and stood at 37,000 in February last year.

A fairly stable pattern of council housing output is expected this year, with starts likely to end up at about last year's figure of 173,000 and completions totalling 160,000.

Platform industry fears

PLATFORM building companies have expressed acute disquiet to the Scottish Council of the CBI that if there are no platform orders soon for the North Sea oil industry the country could suffer a serious technological brain drain which could be a setback to the industry and the Scottish economy.

The CBI said in Glasgow yesterday, after a meeting between its oil steering group and the joint standing committee of the Scottish Economic Council that it had taken two or three years to assemble design teams specialising in steel and concrete platform building.

If these design teams were allowed to disperse overseas because of lack of orders, it would take a similar period to get them together again.

The Offshore Supplies Office in Glasgow said the last order was placed at the end of 1974 and, as it took 18 months to build a steel platform jacket and 20-24 months to build a major concrete platform, a whole generation had passed without an order and firms were now thinking about laying off men.

Fluoride move

BRISTOL WATERWORKS Company has decided to accept the recommendation of the Avon Area Health Authority to fluoridate its water supplies where practicable.

COMPANY NOTICES

ANGLO AMERICAN CORPORATION GROUP
ORANGE FREE STATE GOLD MINING COMPANIES
DECLARATION OF DIVIDENDS

Further to the dividend notice advertised in the Press on the 12th March, 1976 the conversion rate applicable to payments in United Kingdom currency in respect of the undermentioned dividends to shareholders registered on the 26th March, 1976 is £1 = R1.584103.

The effective rate of South African Non-Resident Shareholders' Tax is 15 per cent.

Details of the dividends concerned are as follows:—

Name of company (each of which is incorporated in the Republic of South Africa)	Dividend No.	Coupons marked "South Africa" No.	South African currency per share/unit of stock	U.K. currency equivalent
Free State Geduld Mines Ltd.	38	39	120 cents	75.75264p
President Brand Gold Mining Company Ltd.	42	44	105 cents	66.28356p
President Steyn Gold Mining Company Ltd.	42	43	40 cents	25.25088p
Welkom Gold Mining Company Ltd.	38	—	12.5 cents	7.89090p
Western Holdings Ltd.	42	—	185 cents	116.78533p

For and on behalf of
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
London Secretaries
D. H. J. Pattison

London Office:
40, Holborn Viaduct,
EC1P 1AJ.

Office of the United Kingdom transfer secretaries
Charter Consolidated Limited,
P.O. Box 102,
Charter House,
Park Street,
Ashford, Kent,
TN24 8EO.
4th May, 1976

EDGAR ALLEN, BALFOUR LIMITED

Notice is hereby given that the Registers of Holders of the 7¼% Debenture Stock 1987/92, will be closed from 27th to 31st May, 1976, inclusive, for the purpose of preparing Interest Warrants for the half-year to the 31st May, 1976.
By Order of the Board.
G. R. WOOSEY, Group Secretary.
Sheffield Road,
Sheffield S9 1RA.

IMPERIAL GROUP LIMITED

NOTICE IS HEREBY GIVEN that the Transfer Books of the 4% Unsecured Loan Stock 1975 80 of Imperial Group Limited will be closed from 18th to 31st May, 1976, both days inclusive, for the preparation of interest warrants.
By Order,
P. M. DAVIES, Secretary.
London
5th May, 1976

THE ROYAL BANK OF SCOTLAND LIMITED

US$30,000,000 FLOATING RATE CAPITAL NOTES 1983
For the Interest Period 4th May 1976 to 4th November 1976 the Notes will carry a Rate of Interest of 7⅞% per cent. per annum. Interest for the period will amount to US$40.04 per Note which will be payable on 4th November 1976 against presentation of Coupon No. 7.
The payment date and dollar amount stated above may be amended without notice in the event of an extension or shortening of the Interest Period.
KREDIETBANK S.A. LUXEMBOURGEOISE
Principal Paying Agent

117 GROUP FUND SOCIETE ANONYME
Registered Office:
Luxembourg, 14 rue Aldringen
Registre de Commerce B No. 9 218

DIVIDEND ANNOUNCEMENT

The 117 Group Fund S.A. will pay a six cents U.S. final dividend per share on or after May 5th, 1976, to holders on record at close of business May 3rd 1976. Shares will be traded ex-dividend after May 3rd 1976.
The dividend is payable to holders of bearer shares against presentation of Coupon No. [illegible] at:—
Banque Generale du Luxembourg S.A.
Luxembourg
Morgan Grenfell Limited,
International Division,
Suffolk House,
London EC4 [illegible]
THE BOARD OF DIRECTORS

APPOINTMENTS

COMMODITY back-up staff wanted. Cavendish Appointments. 01-836 2377

CONTRACTS AND TENDERS

A. G. McKEE & CO.
on behalf of
YACIMIENTOS PETROLIFEROS FISCALES BOLIVIANOS
INTERNATIONAL PUBLIC LICITATION NO. 20

PURPOSE: Supply of approximately 5 ton stranded annealed electrolytic copper bare cable: 70, 35 and 16 MM2—for a refinery at Cochabamba, Republic of Bolivia.

OPENING OF BIDS: On June 10, 1976 at the below-mentioned offices, at 11.00 a.m. The bids will be received until that date and time.

PRICE OF SPECIFICATIONS AND BIDDING CONDITIONS: U.S. $25.00 or its equivalent.

INTERNATIONAL PUBLIC LICITATION NO. 21

PURPOSE: Supply of approximately 97 ton thermoplastic insulated electrolytic copper cable (several sizes), for 1.1 and 3.3 KV, service tension, with and without armor, in accordance with IPCEA, standard S-61-402 and U.L. 83, Underwriters Laboratories standard—for a refinery at Cochabamba, Republic of Bolivia.

OPENING BIDS: On June 23, 1976 at the below-mentioned offices, at 11.00 a.m. The bids will be received until that date and time.

PRICE OF SPECIFICATIONS AND BIDDING CONDITIONS: U.S. $50.00 or its equivalent.

BID BOND: 0.5% of the amount of the bid.

INQUIRIES AND DOCUMENTATION: Inquiries may be made and specifications and bidding conditions may be secured at the offices of A. G. McKEE & CO. ARGENTINA, S. A., Hipolito Yrigoyen 440, 8th floor, Buenos Aires, Argentina.

VALIDITY OF OFFERING: Ninety days following bid opening date.

FINANCING: By the BANCO INTERAMERICANO DE DESARROLLO (INTERAMERICAN DEVELOPMENT BANK), in accordance with Contract No. 225 OC-BO with the Government of the Republic of Bolivia.

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CINEMAS—(Cont.)

LEICESTER SQUARE THEATRE. 930 5252. DAVID BOWIE in Nicolas Roeg's film THE MAN WHO FELL TO EARTH (X). Progs. Wk. 2.20, 5.10, 8.05. Circle seats may be booked.

ODEON, Haymarket. (930 2738 2771.) THE ANTICHRIST (X). Sep. progs. Wk. 2.00, 5.15, 8.30. All seats may be booked.

ODEON, Leicester Square. (930 6111.) A SPECTACULAR EPIC! LEE MARVIN ROGER MOORE BARBARA PARKINS SHOUT AT THE DEVIL (AA). Sep. progs. Wk. 12.45, 4.15, 8.05. All seats may be booked at the box office or by post.

ODEON, Marble Arch. (723 2011-2.) ONE FLEW OVER THE CUCKOO'S NEST (X). Sep. progs. Wk. 1.45, 4.15, 9.00.

PLAZA 1 & 2, Regent St. S.W.1. 839 6494. Sep. Perfs. All seats bookable for eve. perfs. Box Office 11 a.m. to 7 p.m. (not Suns.). No phone bookings.
1. JAWS (A). Wk. ... 3.30 ... 6.00 ... 8.50.
2. MAHOGANY (AA). Daily 2.15, 4.30, 6.35, 8.50.

PRINCE CHARLES, Leic. Sq. 437 8181. 2nd Year EMMANUELLE (X). Sep. Perfs. Dly. (inc. Sun.) 2.45, 6.15, 9.00. Late Show Fri. and Sat. 11.45. Seats Bkble.

RIALTO, Coventry Street. 437 1234. TAKING OFF (X). Daily 2.30, 6.45, 8.45.

SCENE 1, 2, 3, 4, Leic. Sq. (Wardour St.) 439 4470.
SCENE 1: Cont. Perfs. Dly. 12.30. Late Show Fri. and Sat. 11.00. Dustin Hoffman ALL THE PRESIDENT'S MEN (AA). Progs. 12.50, 3.20, 5.55, 8.55. Late Show Fri. and Sat. 11.25.
SCENE 2: 3rd YEAR THE EXORCIST (X). Directed by William Friedkin. Sep. Perfs. Daily 12.30, 3.00, 6.15, 9.00. Late Show Fri. and Sat. 11.30.
SCENE 3: Cont. Perfs. Dly. 12.30. Late Show Fri. & Sat. 11.05. Charles Bronson THE STREETFIGHTER (AA). 2.15, 5.45, 9.15. THE BLACK RADAR (A). 12.30, 4.00, 7.35. Late Show Fri. and Sat. 11.05.
SCENE 4: Cont. Daily 1.00. Late Show Fri. & Sat. 12.00. Ken Russell's TOMMY (AA). Progs. 1.00, 3.45, 6.30, 9.15. Late Show Fri. and Sat. 12.00.

WARNER WEST END, Leicester Square. Tel. 439 0791.
1. James Dean in REBEL WITHOUT A CAUSE (AA). Sep. progs. Wk. 1.25, 3.45, 6.05, 8.30.
2. REDFORD-HOFFMAN ALL THE PRESIDENT'S MEN (AA). Sep. progs. Wk. ... 5.05, 8.05.
3. THE SELLOUT (AA). Sep. Progs. Wk. 2.10, 4.20, 6.30, 8.40.
4. AL PACINO DOG DAY AFTERNOON (X). Cont. progs. Wk. 2.15, 5.00, 7.50.

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HOME NEWS

Steel surcharge may go as scrap prices steady

BY ROY HODSON

THE price of scrap is stabilising rapidly. The British Steel Corporation may not have to impose its proposed 10 per cent. surcharge on steel prices this summer to take account of rising scrap prices, Mr. Douglas Freeman, president of the British Scrap Federation, said yesterday in London.

The longer-term view within the industry, however, is that as production in manufacturing industry picks up there will not be enough good quality scrap available to meet all requirements and that scrap prices will rise and the steel industry will have to depend increasingly upon imports.

Mr. Freeman, joint managing director of the George Cohen Sunderland Company, a member of the 600 Group, claimed yesterday that the British scrap market was tending to stabilise. It was even possible that U.K. scrap prices for the lower grades could fall slightly during the coming months, he added.

Scrap prices in Britain have risen by about 25 per cent. this year and prime scrap now commands a price of around £50 a ton.

Observers in the industry still believe that the longer-term trend is that an international shortage of scrap may develop as steel-making picks up. This could bring U.K. prices up to about £100 a ton.

British scrap prices are roughly in line with those in the European Economic Community, although direct comparisons are difficult because of fluctuations of the pound. The level of scrap exports roughly is the same as a year ago, which does not support some claims for a restriction of exports.

The British Scrap Federation is opposed to export restrictions, saying that the fundamental principle of the EEC is that it is based upon free trade.

Mr. Freeman said yesterday: "In the U.K. we are not yet used to these scrap price fluctuations after many years of comparative price stability. If there is an economic upturn we may be hard-placed for good quality scrap."

British Members elected to the European Assembly should have the right to sit and speak—but not vote—in the Commons, Mr. Edward Heath, the former Prime Minister, said in London yesterday.

He told a conference on Direct Elections to the European Parliament organised by the European League for Economic Co-operation that it was important that the connection between the European and the Westminster Parliaments should be maintained.

It was not a satisfactory answer to say that those who went to the European Assembly should sit in the House of Lords under some arrangement. "They should sit in the Commons and hear the view of the Commons and have an understanding of Westminster views."

There were many people in this country who were not attracted by Parliamentary dogfights at Westminster, but who would be eager to play a part in a European Assembly.

Mr. Roy Jenkins—who is thought at Westminster to be on the point of renouncing the Home Secretaryship and British politics for the European Commission—was the speaker after the lunch (above). Mr. Graham Dowson, until last autumn chief executive of the Rank Organisation and now chairman of the British section of the European League, is seen between Mr. Jenkins and Mr. Heath.

New steel pontoons may save millions

BY RAY DAFTER, ENERGY CORRESPONDENT

A BRITISH scheme for cutting the cost of major marine installations, such as oil storage and production platforms, has won an engineering award at the Offshore Technology Conference, Houston, Texas.

The scheme, entered by David Mappin (Offshore) Managements, incorporates a development in ocean engineering construction which does away with the need for special dry docks or basins.

It is claimed that the idea—known as the Seven Seas Construction System—could save millions of pounds on the cost of major structures. It would also avoid conflict with environmental interests.

Developed by Roxburgh Dinardo and Partners in conjunction with the National Engineering Laboratory of East Kilbride, the system involves the construction of relatively small buoyant steel pontoons which can be joined together into composite rafts in sheltered waters. Cellular concrete structures can be built on the rafts. Such a system could also be used for the construction of harbours or breakwaters.

Towed overseas

The project is a spin-off from experience gained through Britain's North Sea oil and gas development programme. It is envisaged that the structures could be built in Britain and towed overseas.

The system was developed for construction initially at the Ardyne site of Sir Robert McAlpine and Sons. Major support has been provided by Yarrow-Admiralty Research and Development.

Companies said to be considering the scheme include British Petroleum, Shell, Union Oil, Tenneco and Amoco.

Tax changes helped boost drink and tobacco trade profits

BY DONALD MACLEAN

PROFIT has been made by distributors of tobacco products and of alcoholic drinks as a result of movements in indirect taxes, the Price Commission says in twin reports.

The Commission recommends that for tobacco and alcoholic drinks the present system of duty deduction against which control over prices and profits is exercised should be replaced by a "flat rate deduction" from turnover.

On drinks, it is said that there is one aspect of the duty deduction system on which there is a "very specific" recommendation: "The present requirement that the actual amount of the duty should be deducted in arriving at turnover for the purposes of the (Prices) Code is impracticable and unworkable."

The proof of the idea that "some profit has in fact been taken on the 1974 and 1975 Budget increases," it is said in the tobacco document, lies in companies' net profits on total sales, which over three years show "relatively little change and indeed, in some cases, an increase.

"When compared with a general background in which distributors' profits have fallen heavily, the tobacco trade has been doing well."

In the alcoholic drinks' report, it is said that, given a sample that is not necessarily representative, it is suggested by the work done that a "goodly proportion" of traders have succeeded in taking some profit on duty increases, and that while their profits have been eroded, they do not seem to have "suffered any worse, and indeed may have done better, than distributors generally."

Indications are given in the report that there is a lack of understanding of the price code provisions among some wholesalers and distributors.

In putting forward the idea that there should be flat-rate deductions from turnover in respect of the Price Code's working for the alcoholic drinks and tobacco distributive trades, it is sugegsted that there should be a 25 per cent. rate of deduction for tobacco wholesalers and 20 per cent. for tobacco retailers, while for alcoholic drinks there should be a 20 per cent. reduction on total sales.

But, the Commission says, because many distributors of alcoholic drinks also sell tobacco goods, "it would ease their record-keeping problems" and "probably ensure a higher degree of compliance" if there was a uniform duty deduction of 20 per cent. for both sides.

There might in certain circumstances be a case for a 20 per cent. deduction applying to both tobacco products and alcoholic drinks, so far as these have been affected by increases in indirect taxes since March 26, 1974.

Pilot station

THE DUKE of Edinburgh will open the new £280,000 all-glass Trinity House pilot station at Harwich on June 1.

Spirits price war looms

By Kenneth Gooding, Industrial Correspondent

THE possibility of a spirits price war at the wholesale level arose yesterday when Stowells of Chelsea, Whitbread's wine and spirit subsidiary, announced permanent trade discounts.

The group is cutting the price of a case of 12 bottles of some brands of spirits by up to £1.20.

A decline in spirit sales through pubs and similar "on" licensed outlets is behind the move.

Mr. Bryn Smith, Stowells' marketing director, said last night: "We hope that this will enable our retail customers to avoid putting up spirit prices in view of what appears to be growing consumer resistance to the price of spirits in on-licenses."

The scheme is directed at "free" trade customers—non brewer-owned outlets—as well as those controlled by Whitbread.

The size of the additional discounts vary according to the spirit.

The discounts will apply specifically to Long John Scotch cut by between 50p and £1 a case, Grant's Standfast Scotch from 35p to 80p a case, Cornhill and Squires gins, between 30p and 90p a case, Cossak vodka between 30p and 50p a case, and Courvoisier cognac, from 30p to £1.20p a case.

An additional discount of up to 30p a case on other brands of Scotch and up to 20p a case on other gins also is offered.

Theatrical company owes £39,851

A THEATRICAL company which toured the provinces with Ivor Novello musicals has gone into liquidation with debts of £39,851, creditors were told at a meeting in London.

Equity—the actors' union—was represented at the meeting because a number of its members were left without payment as a result of the failure of the company, West End Artists. John Hanson, the singer, and TV actor David Barry were both said to be creditors.

Creditors passed no resolution at the meeting and the matter was left with the Official Receiver as liquidator.

McAlpine seeks new work to save platform yard

BY RAY PERMAN

SIR ROBERT McALPINE and Sons is looking for work outside platform building to prevent the closure of its yard at Ardyne Point, Argyll.

The first of three concrete platforms to be completed at Ardyne, the 200,000-ton gas treatment platform for the Frigg Field, was named yesterday in Loch Fyne by Elf-Aquitaine. It will be the first British-built concrete platform in the North Sea and will be towed out this month.

McAlpine's has lost money on the Elf platform, which has been delayed by a year because of labour and other problems. The two remaining larger structures, ordered by Shell-Esso for the Brent "C" and Cormorant Fields, will also be at least 12 months late.

Mr. William McAlpine, director for Scotland, said that the workforce of 3,000 would have to be run down over the next year unless new work was found. Design talks were continuing with Shell, but there was only a small chance of another platform being ordered before redundancies became inevitable early in 1977.

The company, in partnership with a U.S. offshore concrete engineering group, is conducting a feasibility study for concrete barges to transport a new chemical plant from the U.K. to a customer in the Middle East. The order, if secured, will occupy only one of the three basins at Ardyne Point.

Troops in Ulster being redeployed, says Rees

BY OUR BELFAST CORRESPONDENT

A BATTALION of 500 soldiers drafted into South Armagh in January to combat a wave of sectarian killings is to withdraw to-day, Mr. Merlyn Rees, the Ulster Secretary, announced last night.

The move is part of a redeployment of troops in Ulster, but Mr. Rees said it would not mean a drop in the number of soldiers in South Armagh.

The strength will be made up by troops from parts of Belfast where some security duties in the west of the city are being handed over to the Royal Ulster Constabulary and the military police.

Troops in the east of the city are also being withdrawn and are expected to move into the border country.

Mr. Rees's statement is the first detailed answer he has given after a week of speculation about changes in security duties.

The withdrawal of the battalion means that a number of soldiers serving in Ulster is now 14,200.

Meanwhile, the Army said yesterday that the number of bombings in Ulster each month had risen to 120, twice last year's monthly average. More than 6,000 lbs of explosives is estimated to have gone off this year and another 5,000 lbs made safe by Army experts.

Car production down 12% on April last year

BY KEVIN DONE, INDUSTRIAL STAFF

CAR PRODUCTION last month slumped, with output 12 per cent. lower than 12 months earlier and commercial vehicle production 15 per cent. down.

Production in March was 17 per cent. above the average monthly output last year, but last month in seasonally adjusted terms the car output of 104,000 units was 2 per cent. below last year's monthly average. Output of commercial vehicles, at 29,100 units, was 8 per cent. below last year's monthly average.

Production of both cars and commercial vehicles was higher in the three months February-April than in the preceding three months—19 per cent. for cars and 7 per cent. for commercial vehicles.

New car registrations in Britain last month are estimated at 111,000 and in the three month period February-April the average monthly level of registrations, at 105,000, was 11 per cent. higher than the preceding three months.

● Two months after restarting full production Aston Martin Lagonda (1975) has a waiting list of at least eight weeks at its London showrooms.

Less than a year ago, Aston Martin was being run by a receiver and production had come to a halt. This year, about 300 cars are expected to be built at its Newport Pagnell factory, with about three-quarters of the production going overseas.

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Challenge to Government on public spending cuts

BY CHRISTIAN TYLER, LABOUR STAFF

A CIVIL SERVICE union leader challenged the Government yesterday to tell the public what social services and legislative reforms would suffer because of the public expenditure squeeze and cuts in Civil Service manpower.

Mr. Ken Thomas, general secretary-designate of the Civil and Public Services Association, went on to warn at the union's annual conference here: "We will fight arbitrary cuts unrelated to work load, by industrial action if necessary."

His challenge and warning came the day after Sir Douglas Allen, head of the home Civil Service, told a Commons committee that the Government must shed 35,000 civil servants to meet its public expenditure White Paper target of a £140m. saving in the service by 1978-79.

CPSA leaders later gave examples of the effect of staff cuts in Whitehall, where Departments have drawn up lists of services and projects that would disappear if manpower were cut by 5, 10 or 15 per cent.

Closed shop alert

They said operation of the Employment Protection Act might suffer if the staff of the Advisory Conciliation and Arbitration Service—already under great pressure of work—was reduced. Smuggling could increase for lack of Customs officers, vehicle licensing might have to be dropped and the revenue collected through a higher tax on petrol, care of old age pensioners might be restricted and safety research by the Department of Employment cancelled.

Mr. Thomas told the 1,200 delegates that the overall social cost of sacking a civil servant was greater than the cost of keeping him employed. The Government was mistaken in thinking that it could wave "a magic wand" to save on staff employed carrying out policies voted by Parliament.

He added that control of staffing levels in the Civil Service was more rigorous than in outside industry.

Argument about a closed shop for the Civil Service could make the row between the National Union of Journalists and "devout believers in the so-called free Press" look like small beer, Mr. Thomas told the conference.

"Already we are hearing that it will politicise the Civil Service."

This might explain why the Government was so reluctant to "get into proper negotiation" on the unions' demand, he said. An offer by the Civil Service Department of a joint study of the problem of free riders (the Department's phrase) lacked commitment.

"We don't want negotiations about negotiations."

Mr. Thomas warned delegates not to threaten industrial action in pursuit of a closed shop unless they were sure of their members' support. The conference carried a comparatively mild resolution in a rowdy debate which deplored the Government's "procrastination and denial of realistic negotiation."

Ousted president tops executive poll

THE former Right-wing President of the Civil and Public Services Association, Mrs. Kate Losinska, ousted from the post on Monday, yesterday topped the poll in elections for the union's 26-member national executive.

Union officials said this was not unusual for a defeated presidential candidate.

The Left-wing majority of 16 to 10 on the executive was slightly narrowed by the poll to 14-12.

At least two International Socialists won a seat for the first time as well as several Right-wingers named in the controversial list of "moderates" circulated by Conservative Central Office.

The swing to the Right, although forecast by Mrs. Losinska, was something of a surprise for the Left which had hoped to consolidate gains in past years.

No 'arbitrary cuts' in Civil Service

BY OUR LABOUR STAFF

THE GOVERNMENT is hoping to avoid compulsory redundancies in its attempt to reduce Civil Service staffing by an estimated 35,000, said Lord Shepherd, Lord Privy Seal and the Minister responsible for the Civil Service, yesterday.

He told delegates at the Institution of Professional Civil Servants annual conference in Eastbourne that the Government did not intend to "single out any particular part of the Civil Service" to bear the brunt of the £140m. planned cut-back in expenditure.

"We are quite clear that, although there is always scope for greater efficiency, economies as big as this cannot be achieved simply by arbitrary cuts in numbers."

Ministers were carefully examining the whole range of Government policies to identify those which could be abandoned or postponed.

The cutbacks were made necessary by the rapid growth in the Service in the past two years. Between March 1974 and 1976, the Civil Service increased its manning levels by some 48,000—or 7 per cent.

"I do not believe we can afford to go on expanding Government services at this rate—there has to be a pause." A return to last summer's staff levels of about 735,000 was the intention.

A meeting between the Government and the Civil Service unions will be held next week to discuss the cuts.

Delegates voted overwhelmingly to reject compulsory redundancies after the manpower cuts, and to oppose Government plans to disperse some departments to the regions.

Mr. Bill McCall, general secretary, said the cost could run into "many hundreds of millions."

No sense

Another executive member, Mr. Ron Dobson, said the Institution had no objection in principle to dispersal, but claimed that it made no sense at a time when the Civil Service was under attack for squandering taxpayers' money.

The conference strongly supported the Chancellor's strategy of a percentage pay increase with tax concessions, although no specific figures were suggested. Delegates also wanted an early return to the Civil Service pay research agreement.

Farm workers seek £60

By Our Labour Staff

DELEGATES at the farm workers' biennial conference yesterday set their sights on a £60 a week minimum wage, an increase of £23.50 on the present basic minimum, but at the same time pledged their support for a new round of pay restraint in the coming year.

Almost unanimous support was given at the Malvern conference of the National Union of Agricultural and Allied Workers for a call to raise their longer term minimum wage target from the £40 set two years ago to £60. After the debate, Mr. Reg Bottini, the union's general secretary, said the £60 claim could be lodged in October. It was "reasonable" to aim for a £60 figure over a two-year period for a group of workers whose average earnings were about £17 below those of their industrial counterparts.

In an emergency debate on the current TUC-Government pay negotiations, there were speeches in favour of the continuance of a flat rate principle which, it was said, would bring most benefit to agricultural workers. The £6 increase awarded to farm workers last year was the highest in the union's history.

U.K. unemployment percentage level sixth of 11 countries

BY DAVID CHURCHILL, LABOUR STAFF

AN INTERNATIONAL league table of unemployment levels in 11 countries puts the U.K. in sixth place in percentage terms but second in the number out of work.

The table is published to-day in the Department of Employment Gazette. This is the first time international unemployment comparisons have been officially given by the department.

Although the figures are hedged with qualifications over different statistical sources, they indicate that Belgium, Denmark, Ireland, Canada and the U.S. all have substantially more people out of work as a percentage of the total working population.

The 5.3 per cent. level of unemployment in the U.K. is only slightly ahead of France, West Germany and Holland.

But with 1.2m. in numbers unemployed the U.K. is second only to the U.S., with 7.1m.

Apart from the new international comparisons, the Department of Employment has also for the first time produced statistics which include analyses of unemployment by industry, occupation, age and length of time out of work.

The department reveals that 483,000 unemployed out of the total 1.2m. receive only unemployment benefit, with 416,000 receiving supplementary benefit only. A further 152,000 receive both benefits, and the remaining 202,000 are registered as unemployed but receive no monetary benefits.

Other new indices published by the department include a more extensive index of average earnings with public services, finance, and other services covered for the first time.

Its traditional statistics show that the number of working days lost through strikes in March rose from 239,000 to 291,00. This brings the total lost in the first quarter of the year to 863,000, compared with 1.4m. in the first quarter last year.

Statistics also show that there was a sharp fall in the number of workers given pay rises in March, with 555,000 receiving a total of £3.57m. In February 2.66m. had rises totalling £6.6m.

Union urges new negotiating forum at company level

BY IAN HARGREAVES, LABOUR STAFF

THE NEXT step in private industry's progress towards greater industrial democracy should be the creation of a negotiating forum to operate at company level, the Electrical and Plumbing Trades Union says to-day in its evidence to the Bullock Committee.

The 414,000-member union, which has already lined itself up with other power supply unions in opposition to the scheme for 50-50 supervisory Boards favoured by the TUC General Council, says this arrangement would ensure "legitimate, voluntary bargaining at company level."

The union argues: "Future developments in product planning, organisation of work (especially in multi-plant companies), the key statistical indicators on which compnay policy is based, must all be subjects for negotiation at company level."

On top of the provisions for disclosure of information to unions under the Employment Protection Act, the EPTU envisages further legislation to compel directors to discuss such matters as the location of new plant, redeployment, mergers, redundancies or changes in product line with their employees. It companies refuse to negotiate, the matter should be capable of reference to arbitration.

The union argues that an extension of collective bargaining is preferable to a system of worker-directors on the grounds that its structure is familiar and that it would not compromise the loyalties of workers elected to Boards.

In a long and detailed onslaught on the TUC-favoured scheme, the union raises the spectre of "company unionism," festered by "an elitist band of worker-directors whose true accountability to wider visions of trade unionism will be lost in the minutiae of company affairs."

Welcome for NUM plan on democracy

By Our Labour Staff

INDUSTRIAL DEMOCRACY proposals put forward recently by the National Union of Mineworkers have been welcomed by Mr. Anthony Wedgwood Benn, the Energy Secretary, as "a significant contribution to the general debate on the subject."

In a written reply to a Parliamentary question, Mr. Benn disclosed he has had informal discussions on the proposals which would be considered further at tripartite talks between the Government, the NUM and the National Coal Board.

The NUM, which rejected Mr. Benn's initial encouragement to seek worker directors, has proposed that the colliery consultative committees be replaced by 12-man management teams comprised of miners or NUM officials elected by secret ballot.

It is proposed that these committees would run the pits on a day-to-day basis and be responsible for planning output, production methods and machinery needs as well as manpower and investment.

Mr. Joe Gormley, NUM president, said the committees would also cover annual budgeting and deal with the NCB areas and the NCB itself and "appoint colliery managers and other experts."

Rubery Owen talks progress

By Our Labour Correspondent

A FURTHER day of talks aimed at settling the strike by Rubery Owen welders at Darlaston, West Midlands, made progress yesterday and a new peace formula could be put before the strikers to-day or to-morrow.

The improved peace prospects did not come in time, however, to prevent the number of British Leyland workers laid off because of the dispute rising to 4,500. Another 1,000 men were sent home at the Coventry Jaguar factory—taking the total there to 3,000—while 600 were laid off at the nearby Radford engine works and 900 at the Castle Bromwich body plant.

Rail union chief visits China

By Our Labour Staff

THE general secretary of the National Union of Railwaymen, Mr. Sidney Weighell, left yesterday with a delegation for China. He has been invited by the Chinese government to study the railway system and meet trade unionists.

He is accompanied by Mr. David Bowman, union president, and Mr. Bob Kettle, executive member. A Chinese delegation will be invited to Britain and the union hopes this may result in export orders for railway equipment.

FINANCIAL TIMES REPORT

Wednesday May 5 1976

The Fishing Industry

Britain's fishermen have long felt themselves to be the poor relations among the country's food producers, and current news from Brussels does little to cheer them up. The cod war with Iceland is only one of numerous problems facing the industry.

A sea of troubles

By Richard Mooney

THE PUBLICITY given to the Iceland cod "war" in recent months has tended to overshadow the other major problems confronting the U.K. fishing industry, many of which could turn out to be more serious, both in the short and the long term.

The most pressing of these is non-profitability resulting from rising costs and low quayside prices, but subsidiary problems like growing imports of cheap white fish, a continuing overall decline in consumption and growing pressure on sustainable fish-stocks are also giving cause for serious concern. In the longer term the adoption of a general regime of 200-mile limits—complicated in Britain's case by the operation of the EEC's Common Fisheries Policy—could be another blow for U.K. fishing.

The problem of non-profitability was highlighted recently in a report by independent accountancy consultants, commissioned by the British Trawlers' Federation (BTF), which predicted a £5.5m. negative cash flow for the industry in the year to next September. This figure included an expected £1.5m. operating loss and £4m. for capital repayments and interest charges, but excluded depreciation, estimated at a further £7m.

An earlier report, published by the Hull Fishing Vessel Owners' Association, estimated that the whole British fishing fleet was losing an average of £90 per vessel for every day at sea. This compares with a figure of £270 a day regarded as minimum profit to finance replacement of a distant water wet fish trawler. Even in the freezer trawler class — the most modern and efficient section of the fleet — the average sea/day profit is calculated at only £70 before depreciation and interest charges.

Clearly the rise in costs is a major factor contributing to this situation — and the main culprit in this area is oil. Associated Fisheries, which, through its subsidiary British United Trawlers, controls the biggest fishing fleet in Europe, revealed in March that its fuel bill had soared from £1.5m. in 1972-73 to over £5m. last year. But oil has not been the only cost to rise. Labour, gear, training, harbour facilities, administrative costs, etc., have all risen inexorably, burdening the industry still further. These problems have been aggravated by depressed quayside prices and poor landings.

Demand

Poor demand is one obvious reason for this state of affairs, but the BTF claims that the main reason is the increase in imports of cheap frozen cod fillets, which increased last year by 35 per cent. from 24,300 tons to 32,940 tons, while the average price per cwt dropped from £3.56 in 1974 to £3.37. Fisherman have been particularly incensed at the import of a claimed 3,000 tons of "cut price" fish from Iceland and Poland during the first two months of this year. The BTF said the Icelandic fish came in at half the EEC reference price, while the Polish cod fillets were sold at £185 a ton, against a reference price of £656. "The reference price equivalent of 29p a pound is not an economic level but the Polish price of 8p a pound is literally giving it away," commented Mr. Austen Laing, BTF director-general.

The industry's proposed answers to these problems are quite straightforward—Government financial aid, import controls and a rise in EEC official withdrawal prices.

When Associated Fisheries recently announced a pre-tax loss of £2m. for the year to lost September, its shareholders took the unprecedented step of directly requesting "urgent" Government assistance for the industry. A statement sent to Mr. Fred Peart, Minister of Agriculture, at that time said: "The short-term financial assistance required will be small and the long-term benefits substantial."

What the industry would like to see is the revival of the temporary aid scheme which ran out last October. This had been introduced for six months at the beginning of 1975 and then extended for a further three months. The total cost during the nine months of its operation was around £9m. In addition a case is being pressed for the introduction of some sort of grant scheme to help finance fleet replacements.

But the Government has proved very reluctant to plough any more public money into this sort of aid for fishing and has insisted on "well documented evidence of overwhelming need" before considering further assistance. "The Government wants us to get our returns from the market, and we would like to do that, but it is impossible when imports flood in from subsidised foreign fleets," complains Mr. Mike Burton, the BTF president.

Norway is already subsidising fishing operations to the tune of £100m. a year, while Canada recently announced a £23m. subsidy plan. Eastern bloc fleets, particularly Poland's and Russia's, are also known to be receiving large assistance. British fishermen's inability to compete on these terms has contributed to a serious run down in the operating U.K. fleet, and it is this that is causing most alarm. During the past year scrappings, layings-up and diversions to other duties have cut the effective trawling fleet by over 25 per cent. to less than 350 vessels.

With a general switch to 200-mile limits expected soon there could hardly be a worse time for such a contraction in catching capacity to take place. By the time the new limit lines are drawn most major fishing nations will have completed their bilateral and multilateral negotiations with countries traditionally fishing waters within their new limits. Britain's fishermen are certain to suffer in these deliberations because of their poor recent catching performance. The industry sees the growing level of financial support in some foreign countries as evidence of their determination to carve out a generous share of quotas under the coming regime.

British fishermen fear they will suffer in this regard not only from the recent decline in their catching power but also from a lack of preparedness on the part of the U.K. Government.

"The speed at which bilateral agreements are buttoning up fishing in the Western Atlantic in anticipation of 200-mile limits is worrying British fishermen," the BTF said in a recent statement. "Those who are last in the queue will have to take what's left and it could even be that the 'full up' notice will go up for countries like Britain, France and Germany."

For the U.K. industry there is the further worry of the EEC's Common Fisheries Policy. Had Britain not been in the EEC it would presumably have ended up with control of all waters within 200 miles of its shores or up to a median line between itself and foreign shores. But as a member of the Common Market, Britain is bound by the CFP. This policy, which was arranged by the Six (cobbled together, some U.K. fishermen would claim) shortly before Britain's accession, is based on the principle of a Community pool with members fishing up to each other's shores.

This may have been alright under the old system but the British industry considers it completely unacceptable within a 200-mile limits regime.

British United Trawlers, in a recently published assessment of the situation, said: "The achievement of our policy objectives in a world of 200-mile limits depends upon our ability to secure access to sufficient fish resources around our coasts to protect our large traditional home water catch and replace, or exchange for, those supplies we may lose in distant waters."

While the CFP, as it stands, would ensure access, it would not give the U.K. Government the control over catch levels which U.K. fishermen regard as essential. "The Community appears still to be thinking in terms of quota systems to conserve stocks," says the BUT document. "Quotas have proved most ineffectual in international waters and we believe they would be equally unmanageable in EEC waters." The company argues that catch limitation and stock conservation could be more securely achieved by allocating the fishing grounds to member states on a geographical basis.

This would seem to be fairly typical of views held by other sections of the U.K. industry, with a 100-mile exclusive zone within the Community pool generally regarded as acceptable. As an initial target this may have been deliberately optimistic, but the EEC Commission's proposal in February for a 12-mile exclusive zone was received by the U.K. industry with undisguised horror. British Government thinking at that time was believed to be for an exclusive band of in the region of 25-30 miles and anything short of this would only be accepted by the industry with very bad grace.

Difficult

The U.K. catches around 64 per cent. of its supplies of fish within its 200-mile/median band, 35 per cent. outside the prospective EEC pool and only 1 per cent. in the waters of other member states. On the other hand Holland takes 61 per cent. of its catch from other members' waters, France 57 per cent., West Germany 32 per cent. and Belgium 31 per cent. (most of this from U.K. waters). Given these facts it is not difficult to see that Britain will find it extremely difficult to convince the EEC to allow any more than a nominal extension in the proposed U.K. exclusive zone.

U.K. fishermen recognise this. But they would feel happier if they could be confident that their case was being pressed energetically in Brussels. BUT for one is certainly suspicious and asks "have our fishery resources been mortgaged in exchange for Community favours on other aspects of agriculture or food policy"—a sad, but understandable, reaction from an industry which has long felt itself to be regarded as the poor relation among U.K. food producers.

The farming pioneers

ISH FARMING has come a ong way in Britain since the imes of the well-stocked fish onds nurtured by the monks efore the dissolution of the ionasteries.

To-day there are 300 to 400 sh farmers in the U.K., producing in the region of 2,000 ons of fish a year. For consumers used to buying a pound r so of fish at a time this ounds a great deal of fish, but ithout belittling the industry's chievement in any way it is nly a fraction of present consumption and a fraction of the otential.

Realising that potential is the im of the relatively small roup of people who make up e ranks of Britain's fish armers, but they are the first admit the difficulties that lie n their path.

In many ways the full-time sh farmer in this country is ill a pioneer. Although a lot f valuable research has been ndertaken, particularly by the Ministry of Agriculture's sheries laboratories and those f the White Fish Authority, uch remains to be done in e research and development f problems facing the practical sh farmer.

Like any intensive livestock enterprise the economics of fish farming are finely balanced. To be profitable the fish farm has to enjoy a high standard of management as losses through disease and pollution can be high. Feed costs, present the biggest single factor in the overall costs of the enterprise, and bad feed management can reduce or wipe out the profits.

Abundant supplies of clean water are also essential, particularly in the early life of the fish. Thus the number of sites where supplies are available, or are cheap enough to be considered, is limited even in the British Isles which, in a normal year, have areas of abundant rainfall. The amount of water required, however, can be staggering. Rainbow trout, for instance, are estimated to need no less than 30,000 gallons of fresh water for each pound of the fish produced.

Nevertheless several very large companies as well as many individuals have been attracted by the enormous potential to invest in fish farming and develop operations that are now turning out salmon, trout, shell fish, eels, prawns, turbot and several other varieties of fish in both experimental and commercial quantities.

In little more than ten years the home fish farming industry has increased its output from around 100 tons to close on 2,000 tons a year. Some observers have mentioned fish farming as the next food producing revolution in Britain following the vast increases in milk, red meat, cereals and, in particular, poultry meat that have been witnessed during the past two or three decades. With the much publicised claim that it takes only 1¾ lbs of feed to produce 1 lb of rainbow trout compared with 2.1 lbs to produce a pound of poultry meat, the comparison between fish farming and broiler production is inevitable—but a lot of water will have to flow through the fish ponds before fish farmers can produce the 650,000 tons of meat that the poultry industry boasts each year.

Grant

There are other similarities between the fish and intensive poultry farming industries. Neither receive the agricultural grant aid that is a feature of other forms of livestock production. Although there are some producers in both industries who prefer to soldier on without any special Government assistance Britain's fish farmers are indignant that they are unaided while their overseas competitors get State assistance.

Fish farmers also resent the fact that their premises are not treated in the same way as farm buildings such as cowsheds which are de-rated. They are breeding, rearing and marketing livestock, so why should their buildings not qualify for agricultural de-rating they argue, not without cause. For some time they have had an equally valid grouse about the way they were considered as being between two worlds. They were not considered as farmers, nor as fishermen—a state the Duke of Edinburgh described as "lacking the advantages of either and suffering the disadvantages of both."

In addition fish farmers are beset by some extraordinary legal anomalies. Those employing marine culture techniques, in which fish are kept suspended in cages in the sea, cannot legally claim that the fish they have expensively produced and reared belong to them.

But there are signs that the outlook is brightening for the industry. The Fish Farmers' Union has now established itself publicly as part of the farming industry by joining the National Farmers' Union. The move last year was summed up delightfully by Mr. Charles Jarvis, chairman of the British Farm Produce Council, in an article for Country Life. "The principal reason why fish farmers sought the warm wing and sharp claw of the NFU is that the require a powerful lobby to persuade the Government and its Ministry of Ag. and, yes, Fish to take them seriously. To be fair, the Ministry has financed considerable research into the technical aspects, but what the fish farmers want is a Fish Farming Act which recognises their efforts to build a new industry and gives legal help and protection in a variety of ways."

Last spring the industry's achievements, ambitions and problems were extensively debated by the House of Lords and later in the year in the Commons. The immediate results were not sensational in any way, but the industry did win a clear statement from the Government that the Ministry of Agriculture accepted the same responsibility for fish farming and acquaculture as it did for agriculture, horticulture and fisheries. The Government also indicated that it was anxious to remove existing legal anomalies, promising early action on consideration of the problems but inferring that it could be quite some time before the ever-heavy legislative programme would allow an opportunity for amending legislation.

Meanwhile the Fish Farmers' section of the NFU is developing its work on behalf of the 200 fish farmers it represents in England and Wales—and in co-operation with similar bodies in Scotland and Northern Ireland to promote their interests both in Whitehall and Parliament and in the corridors of power in Brussels, where developing EEC fish farming policies cannot be allowed to mature without being influenced by the U.K. industry, small though it may be in comparison with those in other parts of the Community.

At the same time the industry is working on methods to improve the presentation, promotion and marketing of its produce to recover some of the ground that it has lost to rivals overseas.

Peter Bullen

Cod still the king

HE U.K. fishing industry may e in a pretty bad way, but ere it not for the dramatic rowth in the quick-frozen ector it is difficult to see how could have survived for so ng. Even the 42 per cent. rise frozen fish sales between 968 and 1973 was not enough compensate for the 23 per ent. decline in sales by fishmongers, and consumption as a hole has continued its downlide. Though the fall in wet sh sales is probably due in art to the inroads of the frozen roduct into its market (the uick frozen market share imbed to 24 per cent. last year om 16 per cent. in 1971), it is rtain that total fish demand ould be even more depressed the fishmongers still had the tire market to themselves.

One brighter sign to emerge cently, however, was a small se in home fish consumption st year, indicated in the ational Food Survey (NFS). his shows that fish consumpon per head per week rose by 14 ounces last year to 4.46 inces. But the fish trade is ing careful not to read too uch significance into these ures, which are based on a irly small sample of conmers.

The reasons for the flagging mand for fish are well documented. The chief among them the increase in price relative meat, which has virtually ped out fish's main selling vantage. Researches have own that even among those o do not profess a positive like for fish it is generally garded as a second-rate food l given a choice between fish meat at the same price most ple would choose meat every time. A survey recently published by Findus revealed that a large number of people think fish has less food value than cheese or beef, and some even believe it is less nutritious than sugar.

The great achievement of the quick frozen fish companies is that they have succeeded in turning what was regarded as probably the least convenient of foods to serve into possibly the most convenient. They have even managed to dispel the impression (for their own products at any rate) that fish cannot be kept.

Purchaser

The typical purchaser of frozen fish is the young working mother (many older housewives never buy frozen), and her typical purchase is cod, in one form or another. The Findus survey showed that 55 per cent. of housewives interviewed had bought cod during the previous three months while 51 per cent. had bought haddock and 31 per cent. plaice. However, when asked which fish they liked best only 24 per cent. said cod, 22 per cent. haddock and 18 per cent. plaice. This prompted Findus to ask: "Are the British as 'hooked' on cod as is commonly believed or do we just eat so much of it out of habit and tradition?"

The company notes that price seems to be of paramount importance (pointing to the discrepancy between preference for and purchasing of plaice). "Does this mean the British consumer is willing to try less expensive new species?" On this question at least Birds Eye is in no doubt. The housewife "wants cod, and she expects to get cod," said technical operations manager, fish, Mr. Robbie Blair, at a Press conference recently. "This situation will only change if cod becomes in short supply and starts to command very high prices."

This seems to be the general view of the industry. When there was talk of some strange deep sea varieties creeping into fish fingers, all the major companies felt obliged to spend large sums of money on reassuring consumers that their fish fingers were still made from cod.

There is a widely held conviction that because fish fingers (or fish cakes, fish sticks or fish cutlets for that matter) are highly processed products it does not matter very much what goes into them. In fact the fish finger is a highly specified product. The fish it contains must be white, flaky and fairly bland in flavour—and the only raw material discovered so far to meet these requirements at the right price is cod-flesh.

The assumption that a switch away from cod may become necessary is based mainly on the expectation of 200-mile limits becoming general and of Britain being forced to concentrate on waters relatively close to its shores. These waters contain (in addition to haddock, cod and whiting) mackerel (mostly used for fish meal), blue ling (popular with the French but disdained by the British) and coley (relished in Germany but mainly fed to cats in this country).

This leaves "the great blue hope"—blue whiting. Much has been written, spoken, projected and calculated about this fish and much criticism has been levelled at the frozen fish companies for their failure to "grasp this new opportunity." But the processors' lack of enthusiasm is perhaps understandable.

"First," says Birds Eye's Mr. Blair, "it is a very small fish, about five or six blue whitings to a good size cod. Being caught in deep waters, at depths of about 600 fathoms, its innards often tear when caught, and because of that it does not keep too easily. Once skinned and boned, about 40 per cent. of a cod is usable for processing. But with blue whiting, only about 25 per cent. is usable. So, blue whiting would have to be landed at an exceptionally low price before it could equate pricewise with cod."

As well as these problems there is the difficulty of filleting such a small fish, but most important of all, in Mr. Blair's words, "There is absolutely no evidence at present that the fish is acceptable among housewives." The fishmongers seem no less dubious of blue whiting's saleability. Already there have been misgivings about the name —presumably because the word "blue" is not considered appetising. The wet fish trade has suggested "fleshling" as an alternative.

The message which comes over loud and clear from the frozen food producers is that changes in U.K. fish consumption patterns will have to be by evolution rather than revolution, with cod remaining in the driving seat for some time to come.

Richard Mooney

Fishmeal processing

E SECTOR of the British ing industry that would unbtedly benefit from the inluction of a 200 mile (or er) limit would be one of least known—the fishmeal cessors. If Britain's fishing t was restricted nearer to e the quantity of fish, unable or unacceptable for ian consumption, would rise iderably and provide much iter raw material supplies fishmeal processors, who ially make use of all the fish is not directly consumed by ians. In the case of white like cod, this means that fishmeal processors only re the left-over offal, such e head, bones, skin, etc. it with "industrial" type including many varieties lar to herring and ovies, the processor turns whole fish into valuable ein meal for animal feed in addition can extract fish hat goes for human conption in margarines, short s and similar products. rtunately white fish does give the valuable fish oil oduct.

e preponderance of white caught by the British at nt has naturally limited size of the U.K. fishmeal stry. It produces only 0 tonnes or so a year, st an annual consumption itain of 300,000 tonnes with emainder being imported ly from traditional sup such as Norway, Denmark South Africa.

vertheless despite the relal small amount of fishmeal ised domestically in in, compared with other shing nations, it does provide a valuable by-product that is likely to become increasingly important as catches of "industrial" fish rise in the future. It takes something like 400,000 tonnes of offal to produce the 80,000 tonnes of fishmeal. With current prices at around £180 a tonne, this means the industry is earning over £14m. from offal that would otherwise be worthless and in fact actually cost money to dispose of in a reasonable way. At the same time the offal, once turned into fishmeal, is providing an important import saving to Britain, since otherwise it would have to be imported.

Fishmeal is claimed to be virtually unique in its properties as an ingredient of animal feed compounds, whether mixed on the farm or used by the compounders. Not only does it contain a high quality protein content, but it also includes several other essential nutrients making up a natural blend for animal feeds that can be duplicated by other ingredients such as soyabean meal but cannot be matched for performance. Thus while the cost of fishmeal may be higher, it could often be cheaper to use in view of the improved conversion ratio.

An interesting example of the qualities of fishmeal in animal feed is that a high proportion —between 25 and 30 per cent.— is used directly by farmers for mixing into pig feeds, since as a natural blend in itself it does not require the sophisticated methods used by compounders. Whereas compounders might decide that greater savings can be made by utilising other ingredients, the farmer simply relies on fishmeal as a complete blend in itself to ensure his pigs are receiving an adequate intake.

Of course price does play an important factor in deciding how much fishmeal is used in animal feeds. If the cost is high, as at present, consumption of fishmeal tends to be concentrated in the high value concentrated feeds for broilers, laying hens and young pigs. When the cost is lower the use of fishmeal can be widened into other feeds for fattening pigs and dairy and beef cattle.

Protein

Fishmeal prices, of course, are controlled by the available supplies and the competitiveness of rival protein materials for animal feeds. Values are still reflecting the great world shortage of fishmeal created by the disaster in Peru when the change in the Humboldt current drastically cut catches of the anchovy that are turned into fishmeal. Peru is the world's biggest fishing nation normally, with virtually all its catch being turned into fishmeal, so the drastic cutback in supplies made a tremendous impact, particularly as it came at a time when soyabeans were also in limited supply, thus aggravating the protein crisis of a few years ago. The anchovy have now returned to the Peruvian coast and catches are returning to normal levels. But Peru still has first to honour contracts, particularly with Communist bloc countries, that it was unable to fulfil previously, so it is likely to take some while longer for world market supplies to return to normal levels.

In the meantime the general problems being suffered by Britain, and other nations, in catching adequate fish mean that the cost of the raw material used by the fishmeal processor is high. In addition the processor is faced with worrying problems, with the cost of fuel and machinery being the most inflationary. Although present fishmeal prices are historically at a high level, it is claimed that in real terms they are below those of ten years ago and that any serious decline would put some processors into a loss-making situation.

This apart, the outlook for fishmeal processing in Britain does look promising if in future the percentage of "industrial" type fish caught continues to rise. Already the "herring" in herringmeal has been largely replaced by fish like the capeline, which are almost identical but not considered to be fit for human consumption.

So one consolation for Britain if white fish catches have to be drastically reduced is that it may be able to cut down on its imports of an important protein that helps provide other foods for humans, such as poultry, meat, eggs and pigmeat. It is a popular misconception that fish used for processing is being wasted as a human resource. In fact fishmeal quickly goes back into the human food chain via animal feeds. It ensures that the whole of the protein content in fish is utilised for human consumption instead of a large percentage being wasted.

John Edwards

PARLIAMENT

Shore promises to speed abolition of tied cottage

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

THE GOVERNMENT is planning to put the controversial proposals for abolishing the "tied cottage" system into almost full operation by the autumn.

Even this hustle will be speeded up still further if the legislation providing security of tenure for farmworkers looks in danger of being side-stepped before it reaches the Statute Book—hopefully before the summer recess.

Mr. Peter Shore, Environment Secretary, outlining the Government's intentions in the Commons yesterday, said Ministers planned to bring the Bill concerned—the Rent (Agriculture) Bill—into operation "just as soon as possible after enactment."

This would apply to all the provisions except those for full-time forestry workers, to whom a separate "appointed day" would apply.

But the sections of the Bill applying to farmworkers could be put into force only a short interval after it had reached the Statute Book. "I would not expect this to be more than about eight weeks," said Mr. Shore, during the second reading debate.

Difficult

"But if there is any sign of attempts to pre-empt the legislation and disturb occupants of tied cottages on that account during the Bill's passage, it will have to be cut even more.

"I must make clear that the Bill protects any qualifying person subject to proceedings under the existing law on the day it comes into operation."

The Government's proposals—expected to cost local authorities in England and Wales up to £25m. in the next five years on rehousing farmworkers—were condemned from the Opposition front bench as bad, difficult and uncertain in their operation.

Mr. Francis Pym, shadow Agriculture Minister, maintained that in spite of some desirable objectives, the case for the Bill had not been made out. It was not necessary and he doubted whether farmworkers in general welcomed the proposals.

But—Mr. Shore, vigorously defending the Bill, denied contentions that it would impair agricultural efficiency and rejected accusations that the Government had set out to penalise or frustrate farmers in the course of their business.

"We are redressing a balance and providing a system of general benefit," the Minister insisted.

He did not suggest that farmers set out to oppress their farmworkers. But the present system was "unjust and liable to abuse."

Even a well intentioned farmer might be put into a distressing dilemma. He might have a genuine need for a cottage for an incoming worker and thus feel he was driven to the courts to get an order to evict his former employee.

"It is often said that many possession orders now sought against occupants of tied cottages are based on collusion—a collusion between farmer and farmworker.

"In other words, legalised homelessness is contrived as an ultimatum to the local housing authority. That the system can work in such a way is no defence of it. Rather, it is its final condemnation," said Mr. Shore. The system had to go.

The worker qualifying for the protection to be afforded would be one who had worked in agriculture full-time normally for two years before the circumstances occurred which entitled him to benefit from the Bill.

MR. FRANCIS PYM
'Case has not been made out.'

The Bill also brought into protection former agricultural workers who were already retired now and living in accommodation provided by their ex-employers.

Under the proposals the farmer would be able to apply to the local housing authority to secure the provision of suitable alternative accommodation for a worker he was housing and who had left or was due to leave, his employment.

There were three grounds for an application and all must be present together if it were to succeed, said the Minister.

First, there must be an incoming worker in prospect. Secondly, the farmer must be unable to rehouse the ex-worker from his own resources. Thirdly, the rehousing must be in the interests of efficient agriculture.

Mr. Pym feared that the Bill would bring about a reduction in the existing stock of houses available to agriculture. Local authorities would have some "terrible choices" to make and would not always be able to provide a new house.

The industry, said Mr. Pym, who is himself a farmer, was seeking the imposition of an absolute obligation on local authorities.

"But if we impose an absolute obligation, we are unfair to the local councils and to those on their housing lists. If we do not impose such an obligation we are placing agriculture in an uncertain and very unsatisfactory situation."

Anguish

Miss Joan Maynard (Lab. Brightside), a member of the National Union of Agricultural and Allied Workers, said she had been connected with the industry all her life. "I have found in practice that all the co-operation has come from our people."

All went well until there was difficulty about a tied cottage for whatever reason — disagreement with an employer, illness or old age. Everything changed when a man could no longer work on the farm. "Bang goes the good will."

She wished she had taped the many stories of anguish she had heard which gave the lie to Mr. Pym's views. The tied cottage system was feudal and inhuman, and had caused untold suffering for farmworkers, their wives and families.

Chancellor acts on $800m. IMF credit

Financial Times Reporter

MR. DENIS HEALEY, Chancellor of the Exchequer, announced his decision to arrange for the drawing of the $800m. IMF standby in a written answer in the Commons yesterday.

He had been asked by Mr. John Lee (Lab., Birmingham Handsworth) to estimate the minimum value of the assets that would accrue to the U.K. reserves if all overseas fixed assets were sold off over the next two years.

The Chancellor, after referring Mr Lee to the relevant published statistics, recalled that the 25 per cent. surrender requirement on foreign currency securities yielded a benefit to the official reserves of about £180m. in 1975.

No assessment had been made of the proceeds of any hypothetical realisation of overseas assets beyond this.

"There would be neither justification nor need for so extreme an approach. Fully adequate external financing is available through conventional channels and, in this connection, I have arranged with the IMF for the standby of SDR 700m. (equivalent to about $800m.) to be drawn shortly."

Shipyards win pledge on unfair competition

By John Wyles,
Shipping Correspondent

THE GOVERNMENT yesterday undertook to change its shipbuilding nationalisation Bill to give small companies remaining in private hands the right of appeal against unfair competition from the State-controlled sector.

Under pressure from Mr. Fred Willey, Labour MP for Sunderland North, Mr. Leslie Huckfield, Under-Secretary for Industry, told the Commons standing committee considering the Bill that the Government would introduce a right of appeal clause at the Bill's report stage.

Under the Bill, shipyards producing less than 15,00 gross tons of merchant shipping a year are to be left in private ownership—about 25 in all; including some small boat builders.

Mr. Willey's motive in moving an amendment on the issue, which he withdrew after Mr. Huckfield's undertaking, seemed to be to remove any obstacle to private enterprise rescuing ailing shipbuilders and repairers.

Speaking in the wake of United Towing's takeover of the Selby shipyard, formerly owned by bankrupt Drypool Group, Mr. Willey said that a private company might re-open the Greenwell ship repair yard in Sunderland, which was shutdown a few weeks ago by the State-owned North-East Coast Shiprepairers.

Mr. Willey said he felt that it was up to him to safeguard the position of anyone who undertook to reopen the yard.

Stop using motor industry as economic regulator—car chief

BY KEVIN DONE, INDUSTRIAL STAFF

VAUXHALL MOTORS' chairman, Mr. W. Price, called yesterday for an end to the use of the motor industry as regulator of the British economy.

He told the Commons select committee on expenditure: "It seems that, had we not had a turning off and on of the industry with such annoying frequency in the last 20 years, we might have experienced a steadier growth pattern such as that enjoyed in other European countries."

Such a pattern might have avoided the need for the Government rescue operations at British Leyland and Chrysler.

Mr. Price told the committee, which is studying the Government financing of Chrysler, that Vauxhall was concerned that the rescue operation should not upset the "competitive balance" of the industry. Vauxhall had not changed its forward planning programme in any way when the possibility of a Chrysler withdrawal from Britain first emerged.

Import controls

Answering a question from Sir John Eden, Conservative MP for Bournemouth West, Mr. Price said he was completely against import controls. He wished to avoid any retaliatory action in the 120 markets in which General Motors, Vauxhall's parent company, is trading.

"The greatest potential lies in the export of passenger cars from the U.K. We have made great strides in the industry in the improvement of quality and we have learned a terrible lesson in this respect."

Mr. Price did not want any relaxation in the British motor industry which might take it back many years in terms of competitiveness.

He feared, though, that the Chrysler rescue operation might bring a return to marketing procedures which were not geared to viability.

He rejected any suggestion that General Motors might be the next candidate for a rescue operation. The rescue of Chrysler would only be disadvantageous for Vauxhall "if it is not run as a proper, viable one."

Mr. Price suggested the Chrysler could benefit from fully integrating its design and development functions within a European operation in a manner similar to General Motors.

He ruled out the possibility that General Motors might cease their manufacturing operations in Britain and continue here as a marketing force.

VW to launch new Golf car

VOLKSWAGEN IS launching a new version of the Golf LS in Britain this month, the Golf GL for people wanting an economy car with luxury extras fitted as standard equipment.

Only 1,000 Golf GLs are being made for the British market, costing £2,696. Last year, the Golf was the best-selling European import in Britain.

MP puts proposals on Civil Service

BY PETER HENNESSY, LOBBY CORRESPONDENT

MR. JOHN GARRETT, Labour MP for Norwich South, has taken the unusual step of presenting formal evidence to a Commons Select Committee of which he is a member.

In a document published to-day and placed before the general sub-committee of the Commons Select Committee on Expenditure, which is investigating Whitehall, Mr. Garrett takes the Civil Service to task for failing to implement, in full, the findings of the Fulton report which were accepted by Sir Harold Wilson in 1968.

Mr. Garrett was a member of the management consultancy team which advised the Fulton Committee and has long been a fervent advocate on improved management techniques in the public service.

He suggests that the Expenditure Committee should examine the number of specialists promoted to senior administrative posts in the Civil Service and the continuing domination of graduates from Oxford and Cambridge in the upper reaches of Whitehall.

The unification of Civil Service classes—a principle enshrined in Fulton—has not been adhered to, he claims.

Among the other areas deserving attention, according to Mr. Garrett, are the need for greater continuity in keeping civil servants in a particular post for more than the normal two to three years, and the possibility of improving the auditing of departmental accounts to enhance Parliamentary control of public expenditure.

Rent reform backed by Tory spokesman

BY QUENTIN GUIRDHAM

THE RENT ACTS must be reformed if many people were to be better housed, Mr. Timothy Raison, Opposition spokesman on the environment, said yesterday.

He claimed there was a revival of interest—"even among Ministers"—in the private rented sector. But before there could be any increased provision in this sector, there would have to be a change in laws regarding security of tenure, and some guarantee of a fair return.

Mr. Raison was speaking at the annual lunch of the British Property Federation.

Increased pressure for Rent Act reform was also reflected in speeches by Mr. Victor Lucas retiring president and Sir Richard Thompson, his successor.

Mr. Lucas said that it seemed "incredible" that a housing problem should remain after 30 years of peace, including many years of prosperity. Primarily, it remained because of doctrinaire policies, bureaucratic failure and political interference.

In his speech, Mr. Raison repeated the Tory pledge to repeal the Community Land Act, though there might well be parts of it worth saving.

On the Development Land Tax he said the Conservatives had still not reached a view on whether this was "ultimately an acceptable form of tax." This could not be resolved until the committee stage of the legislation was completed.

The main objection—apart from the rate of the tax, where the Tories favour 60 per cent against the proposed initial 80 per cent. rate—was "that in spite of deferment provisions you are liable to have to pay tax on money which you have not yet earned and indeed which you may never earn.

"It is, indeed, a levy rather than a tax on profits," Mr. Raison declared.

PM backs mixed economy

AGAINST a background of calls for greater State intervention in industry from Labour Left-wingers, Mr. James Callaghan, Prime Minister, yesterday told the Commons that the Government would stick to a mixed economic policy.

"I don't believe you can force a large private sector to invest. You can lead a horse to water, but you can't make it drink. You have to apply the incentives necessary which compel it to drink.

"This party has always stood for a mixed economy," Mr. Callaghan added, amid Tory cheers and some Labour backbench groans.

Mr. Robert Kilroy-Silk (Lab., Ormskirk) asked the Prime Minister to explain to the TUC how the Government proposed to move from helping firms in trouble, to taking a stake in profitable firms and industries.

Mr. Callaghan replied: "The first thing to concentrate on is to ensure that there is sufficient incentive to provide a proper level of investment in these firms so that productive jobs can be created. This is what I would like to see us focus on.

Canada visit by Callaghan

THE PRIME MINISTER told the Commons yesterday that he is to visit Canada later this year.

No date had yet been fixed but he would go at the invitation of Canada's Prime Minister, Mr. Pierre Trudeau, Mr. Callaghan added.

He also disclosed that it had been in the mind of his predecessor, Sir Harold Wilson, to hold the Commonwealth Prime Minister's conference in London next year to celebrate the Queen's Jubilee.

School meals plea by MP

MR. CLEMENT FREUD (L. Isle of Ely) yesterday urged the Government to impress on local education authorities, who seemed hell bent on economies and synthetic food, that a school meal should be a pleasure, rather than an ordeal.

Miss Margaret Jackson, Education Under-Secretary replied amid laughter: "I am sure that all of us who have in our time eaten school meals have very vivid memories of them and I take your point entirely."

French group pulls out of R-R engine project

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

SNECMA, the French aero-engine manufacturers, has finally pulled out of the Anglo-French M45H engine programme, leaving Rolls-Royce (1971) to shoulder the financial responsibility for continuing production.

An agrement signed in Paris between the two companies effectively released Snecma from its earlier ten-year agremnt undr which it bore a share of the costs involved.

Now, the French company will revert to the status of a sub-contractor.

The precise extent of the commitment that Rolls-Royce must now carry on the engine is not disclosed. Earlier, however, it was revealed that the U.K. Government had contributed £11.2m. out of a commitment for £13.6m.

The difference of £2.4m. was being witheld pending a new agreement and this money will now presumably be paid to Rolls-Royce.

This will not go far, though, in maintaining the production of the engine, which is used in the West German VFW-614 feederliner. The company can then expect to have to pump further substantial sums of its own and is likely to seek more Government aid.

At this stage, the long-term future for the engine does not look bright. The VFW-614 is its only outlet so far, and only a few of these aircraft have been sold—to such airlines as Cimber Air of Denmark.

Under the terms of the new agreement, however, Rolls-Royce will ensure that existing customers will continue to be supplied with engines and spares, with Snecma providing some materials and some technical assistance.

NORTH SEA CONFERENCE

Problems of raising capital funds

BY FAY GJESTER

OSLO, May 4.

THE PROBLEMS of raising the "astronomic" capital funds needed to finance North Sea development are not fully appreciated outside the business, "even by people of influence in relevant official circles," Mr. Dennis Kirby, of the European Investment Bank, told the North Sea conference here to-day.

The EIB, which in the past had helped "modestly" in financing North Sea projects, had even been asked why its help was needed when it was so easy to raise the necessary finance elsewhere.

In fact, he said, the sheer volume of finance needed was a problem in itself, and was still not possible to estimate reliably. Moreover, the risks and uncertainties connected with producing North Sea finds were proving even greater than first foreseen, making banks increasingly reluctant to become too deeply involved with loan finance on the scale needed.

The high cost of producing North Sea finds was also stressed by Mr. M. H. Barber, of Conoco North Sea Inc, on the second day of a conference organised by the Financial Times and four Nordic newspapers. "There never has been, in the entire history of the oil industry, a more expensive area to develop and exploit," he declared. Development programmes would have to aim at economies in every field.

Mr. Barber added: "The reservoirs must be developed with an absolute minimum number of wells and certainly an absolute minimum number of platforms." Putting it colloquially, he said, "We've got to farm as smart as we know how, and we've got to get smarter."

Oil production platforms are potentially interesting and vulnerable targets for terrorists, but suitable security routines could make them difficult to penetrate and therefore an unattractive proposition, according to Dr. R. L. Clutterbusk, of the University of Exeter.

He advocated careful screening not only of all offshore workers but also of those concerned with the despatch of freight to the rigs, since guns and explosives for use by terrorists could be smuggled on to platforms in normal freight consignments, by terrorist agents working in despatch departments.

Personnel and freight for a single platform might come from many different countries, and this would complicate controls. But given the will, the task could be done. "With so much at stake, the Governments concerned should legislate to ensure a uniformly high standards," he declared.

Commenting on the over-supply situation in the oil rig market, Mr. Jonathan Buxton, of Eggar Forrester Offshore, predicted that rig contracts would remain short while the market was so soft. This was comparable with the present position of the tanker market, where neither owners nor charterers wanted to undertake long-term commitments.

He feared that there might be little relief from the glut situation for as long as 20 months. Moreover, in the future round of acreage by the British Government, there would probably be a predominance of shallow water, jack-up territory. This would improve the reasonably steady jack-up market, but might not offer such promise for semi-submersibles.

An idea for the provision of North Sea finance was developed by Mr. Eric Levine of Eric Levine and Company. He pointed out that there was no real involvement by the British public in the North Sea, but this gap could be filled if the Government were to raise funds from the public at large through the issue of an Energy Bond.

"After all, War Loan established the precedent of the public assisting the financing of an important national endeavour," he said.

Mr. Levine believed that, on current trends, the British Government, through the BNOC, would soon have to take a greater part in North Sea developments along the lines that the Norwegian Government had established with Statoil. Hence the need for greater public involvement, even to the point of development financing.

Mr. Jo Grimond, former Liberal leader, said the British and the Norwegians, as the principal developers of the North Sea, should agree on some pricing policy for their oil resources.

On the political situation in the oil companies themselves he urged companies "which genuinely believe in a market to say so, clearly and often." They should "improve their appearance, not so much in the eyes of the public at large, but in the eyes of those who are interested in the direction of our economy." They should also, as far as they were allowed, practise a market economy themselves.

A major question of politics for the next two or three years would be whether Britain "would continue a free and free enterprise country," or whether it would "slide over into total Socialism." He believed the oil companies had "a vital role to play" in this situation.

The Executive's World

EDITED BY JOHN ELLIOTT

Rupert Cornwell outlines Shell's resumption of operations in Indonesia's changing oil industry

Oil in the Orient

BALIKPAPAN is an unprepossessing, sprawling town of about 150,000 people, half way up the eastern coast of Borneo and just south of the Equator. Behind it lies gently hilly country, one of the few cultivated regions carved out of the island's dense tropical forests. It is a reasonably equipped port, and a trading post for the Dayak tribesmen in the interior. But to-day Balikpapan is above all oil, and a symbol of both past and present of Indonesia's most vital industry.

The past, because Indonesia is one of the world's oldest oil producing areas. In 1890, a certain Jans Zijlker won permission to attach the title "Royal" to the humble Dutch petroleum company he had set up after finding oil in Sumatra. At about the same time another infant company, Shell Transport and Trading struck oil in East Borneo, and built a small refinery in Balikpapan. In 1907 the two merged to form what is to-day the world's second largest oil group.

All that, though, has long since changed. Disillusioned and unloved, Shell pulled out of Indonesia after nationalisation in 1966. To-day, in the calmer climate of the Suharto regime, the company is gingerly feeling its way back, and a small team of geologists is based in Balikpapan assessing the Shell concession to the North. But in what has been dubbed the "Aberdeen of the Orient," the foreign colony of oilmen is predominantly American and French, not British or Dutch, and the management has changed. Oil in Indonesia now means Pertamina, the state-owned agency-cum-conglomerate which allots concessions and supervises all oil operations in the archipelago by foreign companies. In East Borneo, to all intents and purposes, these are the French CFP/Total group, and the U.S. Independent Union Oil. Their fields in the offshore area of the Mahakam river delta should in 1977 be producing some 15m. tons of oil — about one-fifth of Indonesia's current output of 75m. tons a year.

The discoveries are beginning to transform the country's oil map, and are chipping away at the dominance of Sumatra, which in the early 1970s was responsible for 97 per cent. of production, and of the Caltex Company which handles 60 per cent. of output and operates Indonesia's one truly giant field at Minas in central Sumatra. They are also, it should be said, starting to transform Balikpapan, with land and appartment costs rocketing, and prices in the town's two rated restaurants having doubled in a year.

Excitement

The reason for all the excitement is to be found about 50 miles to the north of the town: Union's offshore Attaka field, producing around 6m. tons; Total's Bekapai field with 2m.; and the largest of all, Handil, set amid the swamps of the Mahakam estuary with up to 7m. tons annually when it is on full stream in 1977. A full-scale terminal is being built by the French at Senipah nearby, and CFP is planning some $130m. of investments this year alone in Indonesia, compared with a total $140m. since 1968.

For CFP, too, success in Indonesia is particularly important; although the group traditionally has a net surplus of crude, and is a seller on international markets, it had been going through a lean spell in its efforts to shift its production base out of the Middle East, particularly Algeria and the Gulf. Like Shell, it had acquired the reputation of being bad at exploring and good at marketing, but this image is changing with its finds in Borneo and in the North Sea, and to a lesser extent in Labrador.

Bekapai, Handil, and Attaka are fields typical of Indonesia—medium sized and a little awkward to get at. By and large, Indonesia is a mass of smallish fields, with operating costs well above those in the Middle East, and is a smallish producer, with its 75m. tons a year putting it at the bottom end of the OPEC league table. Nor is there great prospect of a fundamental change. Experts are doubtful of any new Minas-type finds, and predict a peak output in the near future of some 2m. barrels per day (100m. tons a year).

Terms of production sharing are generous to the companies on a scale rare elsewhere, and—as the companies themselves admit—the quality of Pertamina's oil people is high. But a financial disaster for Pertamina, with reported outstanding debts of $9bn. or more, has highlighted weaknesses elsewhere and a direct consequence is that the Jakarta Government is turning the screw on the oil companies.

Earlier last month it renegotiated the terms of its "work contract" with Caltex, netting, it is estimated, an extra $300m. annually. Next in line is CFP, which when Handil goes on stream, will overtake Union to become the country's second largest producer.

Under the existing arrangements, the contractor finances all the exploration, development and production costs, which first are approved by Pertamina. In return, the operator receives a maximum of 40 per cent. of the oil (the so-called "cost oil") to cover instalments. The rest is split on a complicated formula which takes into account the dramatic rise in energy prices since 1973. Of a barrel of Indonesian crude, to-day fetching up to $12.80, an estimated 22 per cent. goes to the company, and 78 per cent. to Pertamina. This will now be changed to the advantage of Indonesia, but by how much is unclear.

Slow progress made by manual workers on 'staff status'

DURING the past ten years there has been considerable interest among some companies and some trade unions in giving manual workers the same pay and conditions of employment as white-collar and management employees. Known as granting "staff status," this has been seen as a logical way of improving labour relations.

Yet the actual progress has been remarkably slow and a report published to-day by the British Institute of Management says that comprehensive status schemes equalising all terms and conditions of employment are still rare in the U.K.

A survey of over 300 companies interviewed by the BIM found that only 37 per cent. had introduced such a scheme for some of their manual workers while only 25 per cent. had introduced one for all their manual employees.

In addition, however, companies also harmonise their pay and conditions in a less structured way, removing or at least reducing their differentials for a number of reasons.

But the country's economic problems have slowed progress towards the introduction of staff status, which is expensive, and most companies now planning fresh moves are large concerns with over 5,000 employees.

About 70 per cent. of these companies with future plans said that Britain's social-political climate was the main reason.

Since 1970, 70 per cent. of companies have reduced differentials on some conditions of employment. Skilled workers have gained more than semi-skilled and unskilled categories and the harmonisation has been most common in those employment conditions which are given a high priority by employees—for example pensions death in service benefits, sick pay, holiday entitlements, and redundancy provisions.

Managements rather than unions have normally initiated these changes, although unions have been involved in negotiating them.

The BIM is in no doubt about the value of staff status, providing it can be afforded by the company involved. "Companies that have introduced single status are characterised by good profit and growth records and good labour relations. They are usually capital intensive, have new production technologies and are located in new plants. A number are subsidiaries of U.S. or EEC-based parent companies . . . . Companies describe the benefits of introducing single status in terms of improved employee relations, a more flexible and participative working environment and the satisfaction of acting in advance of the mainstream of employment practice and legislation. The main drawback is the considerable additional cost involved"

But, as one manager told the BIM, single status is not simply about equal fringe benefits and equitable salary structures. "It is about the age old split between "works" and "staff," the "them-us" syndrome and as such it is probably the most radical change in terms of personnel policy to be attempted by the company," he declared. "It will not succeed in a climate of poor industrial relations, poor communications, inequitable wages and salary structures, poor management and supervision. These conditions must be corrected before the harmonisation process begins."

Towards single status. Management Survey Report No. 30, by Helen Murlis and Jill Grist. British Institute of Management, Management House, Parker Street, London, WC2B 5PT. Price £15 to non-members.

NB: The BIM's recent Front Line Management working party report is available from the same address price £2.50 to non-members.

65 PENSIONS and BENEFITS

Insurance for company health

BY ERIC SHORT

While a BIM survey shows that U.K. industry has been slow in introducing 'staff status' pay and conditions for manual workers, Eric Short argues that private care medical insurance is a cost effective high status perk for executives.

UNTIL RECENTLY fringe benefits to most people meant expense account lunches and the provision of company cars and this still tends to cloud the thinking of many politicians and trade union officials. But, the provision of employee benefits has long since progressed beyond such perks designed only for the favoured few within a company. Now employers are increasingly giving much more consideration in rewarding employees in addition to salaries or wages.

The most important fringe benefit is pensions but there are lesser benefits which many employees value: cheap house loans, free lunches, sports facilities. These tend to improve the attractions of employment but can involve employers in considerable annual outlays without showing a direct return. There is, however, one benefit—the provision of private medical insurance—which can be cost effective, with the cost of contributions being more than offset by savings in the operations of the company.

The advantages of private medical treatment, which have been highlighted by the paybed controversy within the National Health Service, can be summarised under two headings: timing and privacy.

Facilities such as being able to choose the date for hospitalisation and have a private room, with telephone, illustrate the main direct advantages to the employer to insure at least his key employees for private medical treatment.

There has been rapid growth in group medical schemes in the past few years. Indeed, the annual survey carried out last year for the Department of Health and Social Security showed that all growth in membership is coming from the provision made by employers.

This raises the question of why an insurance scheme should be used when the employer could pay for the private treatment as part of the running costs of the business. The answer is that, if the employer paid directly, the Inland Revenue would regard the costs as a payment in kind to the individual concerned and tax him accordingly. Since the cost of treatment could be hundreds of pounds, the additional tax bill could be significant. Under a medical insurance scheme each employee covered is taxed on the company contribution, irrespective of whether he receives any benefit.

The benefits provided by the medical insurance agencies basically are two-fold: cover against the costs of accommodation and nursing in a private bed; and cover against the costs of all specialist fees. The latter include not only surgical fees, but the fees of anaesthetists, radiologists and other specialists.

The standard form of cover is to put a limit on the amount of weekly benefit payable for each case and a limit on the amount of fees paid for each illness. The employer chooses the limits and is assessed for his contribution. The limits will depend mainly upon the location of the employer since paybed costs in the NHS vary across the country. The weekly charge for a bed in a London teaching hospital is £339; it is £284 for a provincial teaching hospital and £243 otherwise.

The premium is assessed on a selective basis for each group and the usual practice now is to make rebates in a year when claims on the scheme are light. But, basing the cover on a weekly charge does mean that employers have to pay an extra premium during the year when pay bed charges are increased, as was done for NHS beds on April 1. The main agencies in this insurance—British United Provident Association, Private Patients Plan, Western Provident, Crusader Insurance and Allied Investment—operate similar types of schemes, but PPP and Allied also provide an annual indemnity limit on the cover.

Employers interested in such schemes have to decide which employees to include. The immediate benefits to them suggest that only the key people in the firm need be included. The office staff probably would appreciate and even use the benefit, but it is doubtful whether many on the shop floor would want to use private medical facilities if they became ill. The American practice is to include everybody, but in Britain some form of selection is usually made. It should be a matter of discussion with the unions and including everyone should not increase costs by much because claims will not be proportionately much higher.

The one factor which may well influence employees not to go in is that, while contributions are allowable for tax by the employer, the employee has to pay tax on the contribution.

Finally, employers may well ask how such schemes stand if and when paybeds are phased out of the NHS. What is perhaps not generally appreciated is that there has always been a strong private hospital service outside of the State service. At present there are about 150 private hospitals providing about 3,500 beds—of which about one-quarter are in the chain of hospitals run by the Nuffield Nursing Homes Trust. The private sector has concentrated on providing accommodation for acute surgical or medical cases—it can offer all but the most sophisticated surgery.

The attack on pay-beds has resulted in bringing together what was a very fragmented set-up, with formation 18 months ago of the Independent Hospitals Group. The Bill now before Parliament is imposing an orderly phase-out and proposes to set up a Board to supervise this move. One of its functions is to ensure that no pay beds will go from State hospitals until there are adequate private facilities in the area.

BUSINESS PROBLEMS — BY OUR LEGAL STAFF

Community Land Act effects

In 1973 I obtained planning permission for the erection of houses on a small plot of land, I then sold the land to developers leaving 75 per cent. of the purchase price on a legal first mortgage. The developers commenced work by clearing the site, erecting 5 garages and completed foundations for three of the houses. They then went bankrupt and I foreclosed on my mortgage.

Am I correct in assuming that this land, together with the work that has taken place on it, will be exempt from the Community Land Act? If not, are there any steps that I should take to protect my interests?

We think that the Community Land Act 1975 and the bill providing for the taxing of development value, now before Parliament would not bite on the land on which you have foreclosed. However your planning permission may soon expire, and a fresh permission would probably fall within the new statutory provisions. The position could be protected by preventing the lapse of the existing planning permission by commencing the permitted development.

Bank interest as earned income

I have a small business (not a limited company) which publishes an annual journal consisting of one volume of six bi-monthly issues. Subscriptions are paid annually in advance which means that I hold the money to pay the expenses of operating the business in the bank for one year. I regard this money as working capital required to operate the business and hopefully would expect the interest to be treated as earned income. The Tax Inspector however regards the interest as unearned income, and taxes it accordingly. My accountant has not been able to suggest arguments to substantiate my case. Can you?

Prima facie, the facts outlined in your letter might be distinguished from the facts in cases where the Inland Revenue have been successful in excluding bank deposit interest from Case I assessments, but no doubt your accountant has studied the dicta in the light of his knowledge of your own particular circumstances.

It is not possible to do more than offer points which may suggest a line of thought, but which may on the other hand be irrelevant to your particular situation: (a) May inflation make the advance subscriptions inadequate without the deposit interest? (b) Might the Inspector (or the Commissioners) accept that short-term bank interest is a trading receipt in your own trade, as bank overdraft interest would be a trading expense? (c) Would your argument be helped if you took in a partner?

*

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WEDNESDAY, MAY 5, 1976

Two views of the economy

THE INDICATORS published yesterday reflect two quite different views of the outlook for the British economy—the one, mirrored in the loss of foreign exchange reserves during the past month, pessimistic: the other, seen in the latest CBI review of industrial trends, reasonably optimistic. Since the behaviour of the foreign exchange markets seems to have been more influenced recently by the passing remarks of individual trade union leaders about pay restraint than by other indicators, the second view is probably the more reliable.

Yet the fact remains that various factors, among which defence of the exchange rate was the most important, caused the reserve to drop by $1.06bn. during April, even after net accruals of foreign currency as a result of foreign borrowing by the public sector of $429m.; the total fall, therefore, was rather larger than in March. As a result, and to nobody's surprise, the Chancellor of the Exchequer has arranged to draw on the International Monetary Fund the first credit tranche of about $800m. which was negotiated in January and to which no particularly onerous conditions are attached. Another $360m. is available on similar terms, following the recent 45 per cent. increase in IMF quotas.

Export boost

The devaluation of sterling, which we have spent so large a part of our reserves in seeking to brake, will increase the price of essential imports but will also give a considerable competitive advantage to British exports, provided that sufficient productive capacity is available to meet demand.

While optimism about the general business outlook has markedly improved, the move out of recession—already foreshadowed in a number of official statistics—seems to have been based mainly on a halt to the run-down of stocks and higher exports rather than any marked increase in domestic personal consumption. At the same time, the capital goods industries seem to be recovering at an earlier stage of the business cycle than usual and this may mean a better revival in fixed investment than expected later this year. The CBI suggests that, although investment will fall between 1975 and 1976 as a whole, the turning-point will come later this year and that the rise in the twelve months to June 1977 could be up to 10 per cent. on the previous twelve months. The main factor working against an early increase in investment is still the very high percentage of firms which expect that their existing capacity will be adequate to meet demand.

Bottlenecks

It is too early yet, in fact, to judge how far an export-led revival in demand, of the sort which we at last seem to be experiencing, will be held back by shortages of men and machinery. The number of firms expecting output to be affected by shortages of general labour is slightly higher than in previous surveys but much below the average of the past 16 years: and it remains uncertain whether the official unemployment figures for the past two months represent a change of trend which, however welcome for social reasons, would suggest a smaller shake-out of labour and a smaller rise in productivity than it has seemed reasonable to expect after so comparatively deep a recession.

Since the upturn in this country is starting relatively late, is based on export demand and may be prolonged as supplies of oil from the North Sea weaken the standing balance of payments restraint, there is every reason to take full advantage of the opportunity by keeping the risk of bottlenecks in supply as small as possible. This means that the public sector should be ready to cut its expenditure in line with the increase in other sources of demand. Given the difficulty which such cuts always cause, their planning should be a matter of urgency.

The right way to curb car imports

CAR imports into the U.K. are too high and should be reduced. That is a proposition on which everyone can agree. But how is the reduction to be brought about? The apparently simple way is to impose restrictions on imports as a temporary measure while the industry—or, rather, the subsidised part of it, British Leyland and Chrysler—puts its house in order. Although the industry, to its credit, has not departed from its official policy of opposition to import controls, the pressure on the Government from other sources, including many of its own supporters, is continuing: if imports run at over 35 per cent. of the market for several more months, as seems quite possible, the pressure is certain to be intensified. Yet the arguments against import controls remain as compelling as they have always been.

Retaliation

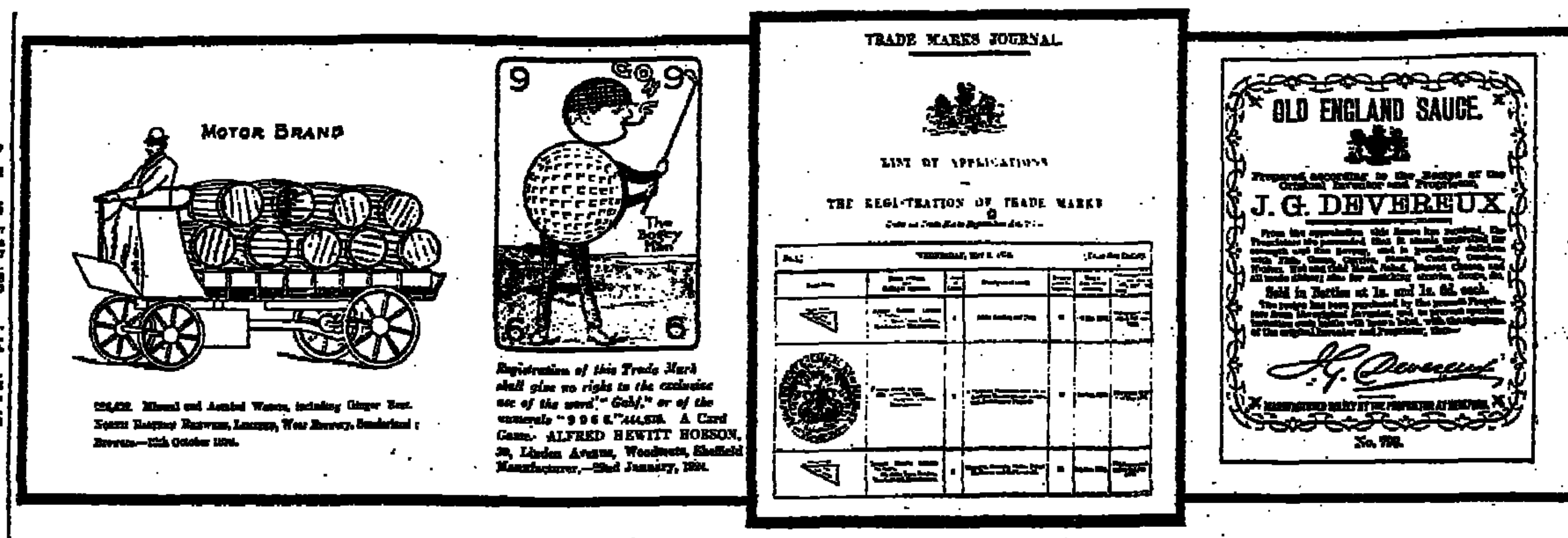
The industry's overwhelming need is to increase its share of world car markets, including, of course, the domestic market. The loss of market share in recent years has been due, first, to the inability to produce enough cars to satisfy the demand, and, second, to shortcomings in quality: the latter has applied especially to the European and North American markets. Any move towards protection in the U.K. will lead to retaliation, which will make the industry's task of regaining lost markets all the more difficult. Within the U.K. itself a ban on imports would lead to serious shortages, since there is no way in which the British manufacturers could fill the gap.

Clearly the aim must be to get imports down to the 25 per cent. level which prevails in countries like France and West Germany. This will be a slow process. Even after they have overcome their production problems, which are due to internal inefficiencies as well as to bad labour relations, the manufacturers still have to convince the customer, particularly the private motorist, that the quality of the product matches that of the foreign producers. Past failures to supply, especially in the boom year of 1973, have enabled the importers to establish dealer networks and customer loyalty to an extent which makes them very difficult to dislodge.

There is the further point that the growing European integration of the three American-owned companies has contributed to the increase in imports. The Vauxhall Cavalier and the Chrysler Alpine, for example, both manufactured on the Continent, have been among the most successful imports in recent months: imports from the EEC as a whole in the first quarter of the year (measured in terms of market share) rose from 19 per cent. to 22 per cent., while those from Japan fell slightly to just under 9 per cent. The imports by the U.S.-owned companies should, of course, be balanced by exports of British-made vehicles. Despite the bad image of British cars, some progress is now being made: Vauxhall, for instance, which competes directly against its German sister company, Opel, has appreciably increased its exports to the Continent in recent months.

Price advantage

There is no magic cure for the import problem. No doubt the Japanese can be discouraged, by voluntary means, from setting their export volumes at too disruptive a level, but the buoyant demand in the U.S. and other industrial markets may in any case tend to reduce the pressure from this source. If the East Europeans are proved to be dumping, it is possible to obtain redress. But the bulk of the imports will continue to come from the EEC countries and it is their ability to compete in the EEC market as a whole which will determine the future of the U.K. car manufacturers. The depreciation of sterling has given them a useful advantage on price: they now have to deliver the goods.



Some early trade marks (1889 and 1924): the first issue of the Trade Marks Journal: and (right) one of the earliest food trade marks (1876), and the development of the Shell mark from 1900 to 1973.

The British trade marks system is 100 years old. **A. H. Hermann** argues that it needs an overhaul to adapt it to social and international developments in branded goods.

Trade marks: time for a change

THE centenary of the British trade mark system has come at a time when there is little inclination to celebrate and every reason to ask whether trade marks can survive without a radical adjustment to changed retailing techniques and to the gradual emergence of an integrated European market for consumer goods.

A series of trade mark cases decided by the European Court, or about to go before it, has alarmed industry, but it would be wrong to close one's eyes to the fact that, however unpalatable—and often impractical—is the court's approach, it is striving to reconcile very real contradictions which are not of its making.

Since the British Trade Marks Journal appeared for the first time on May 3, 1876, carrying particulars of 144 trade marks, not only their number but also their economic and social importance has grown enormously. The advance of packaging, self-service stores and the international trade in consumer goods, all backed by new methods of mass advertising, made brand names indispensable—and once they assumed this new importance it was inevitable that trade marks would come under scrutiny as a potential weapon for capturing consumers and for insulating national markets in defiance of EEC rules.

European Court

The tendency of the European Court to deny the importance to the consumer of brand names as a means of identifying a certain product led to a survey sponsored by Imperial Tobacco, Unilever, Cadbury-Schweppes, and Beechams. The result, published by the Confederation of British Industry in December 1975, confirmed that the overwhelming majority of housewives rely in their shopping on brand names and are not especially aware of any disadvantages of the system. Of the 1,000 housewives interviewed, 92 per cent. bought most of their packaged groceries in a self-service shop. In these shops almost 90 per cent. of the purchases of branded goods appear to be made by the housewife without considering an alternative choice. In other types of shop she names the brand she wants in about 70 per cent. of all cases. Asked about the possibility—created by the European Court—of products of two unconnected manufacturers being sold under the same brand name, 70 per cent. of the housewives said either that there would be no advantage in such a system, or that the only advantage would be to the second manufacturer.

The fact that massive advertising can transform a brand name into a generic name—in many countries "gillette" means any razor blade—and create a closed market dominated by the successful manufacturer, is overlooked by most housewives, but has been very much on the mind of the U.S. anti-trust authorities for some years now. The solution they envisage would bring about by more direct means results similar to those envisaged by the EEC Commission and European Court, namely price competition between identically branded products of different manufacturers. The method under consideration by the U.S. Federal Trade Commission is the compulsory granting of licences for the use of outstandingly successful and dominant brand names and the elimination of restrictive agreements securing to the dominant manufacturers a lion's share of the retailer's shelf space.

In contrast to the uncertainty of U.S. law caused by a conflict between trade mark rights and competition rules enforced in the public interest, the British scene has been quite peaceful, at least until British accession to the EEC. Moreover there has been a tendency to ignore the approaching storm. As late as May, 1974, the Mathys Committee on British Trade Mark Law and Practice proposed only minor improvements of the British trade mark system and stated: "No change in principle is necessary in British trade mark law and practice to meet international developments." The committee reported that the transition from nine nationally protected markets to a common market would take some years and that "meanwhile the national trade mark laws of all nine countries remain effective and that there is no expectation of an early collective action by the Nine which would override them."

The complacency of the Mathys Committee was based on the assumption that nothing can happen before the nine member governments agree on the European Trade Mark proposed by the EEC Commission. That agreement does not appear to be any nearer now than it was then, but what the committee, and indeed most British lawyers, could not envisage was that the European Court would take the matter into its own hands, refashioning the EEC Treaty provision concerning industrial property in a series of judgments. Unfortunately these judgments were conspicuous not only for the boldness with which the court emulated the example of the U.S. Supreme Court, but also for their lack of clarity. As Mr. Justice Graham, the High Court judge specialising in trade mark disputes, said when chairing a Law Society conference on trade marks on April 28—the European law was still very young, and one must not be surprised and impatient if the European Court delivered judgments in conflict with each other.

Just when the Mathys Committee delivered its report, the European Court was considering the case of Van Zuylen Freres, a Belgian company which had acquired the Belgian rights to the Hag coffee trade mark. It was originally registered by a German company, Hag, and sequestrated as enemy property after the war. The German company still owns the same trade mark in Germany and resumed exports under this brand to Belgium in 1972. The Belgian company asked the courts for protection against these imports under Belgian trade mark law but the German company argued that such protection was ruled out by EEC law. When the case reached the European Court the British Government intervened submitting that the Belgian company should be allowed to enjoy the territorial protection of its Belgian trade mark rights.

Door left open

The court said that if goods were properly trademarked in one member State their import into another member State cannot be prohibited merely because an identical trade mark of the same origin is registered there in the name of another company. This was less than the EEC Commission asked for—it argued that the EEC Treaty allows protection only against illegally trade-marked goods—and clearly intended to open the frontiers to all identical trade marks, even if they were not of common origin. The Court did not go so far on that occasion, but the reasoning behind the judgment left the door open for it to go the whole way with the Commission next time.

The opportunity to resolve the uncertainty about the future of unconnected, identical or confusingly similar trade marks will be presented to the European Court later this week. To-day it will hear the dispute between Terrapin (Overseas), of Bletchley, and Terranova Industrie, of Freihuug, in Germany.

The British company will be prevented from using its name and trade mark in West Germany unless the European Court decides that such a prohibition would be contrary to EEC law. The Commission, however, is not asking for that. It has instead expressed doubts whether Terrapin and Terranova really are confusingly similar names. The court thus can easily avoid the issue if it chooses.

That will not be so easy in the other, bigger trade mark dispute pending before the European Court, where the question is whether CBS should be allowed to export to Europe records under the Columbia trade mark which it owns in the U.S. but which in European countries belongs to EMI. The argument originally advanced by CBS, that imported U.S. products should benefit from the EEC Treaty provisions for the free circulation of goods in the Common Market—the basis of the Hag decision—does not stand up. But the EEC Commission came to the rescue of CBS by arguing that the allocation of trade mark rights between the two groups originally was part of market sharing agreements dating back to 1917. But Mr. J.-P. Warner, Advocate General of the European Court took the view that protection of trade mark rights could be denied only if these were born of sharing agreements which were illegally continued after the EEC Treaty came in force, but not if these agreements, as was the case between CBS and EMI, were discontinued before the EEC Treaty.

Unenviable choice

The European Court is faced with an unenviable choice. If it accepts Mr. Warner's opinion, it will give its blessing to the international allocation of trade marks between companies which—at some point before the EEC Treaty—replaced market sharing agreements and thus made the continuance of formal restrictive agreements superfluous. These companies will consequently be in a more advantageous position than multinational groups which (by the Court's Centrafarm judgment) were forbidden to divide national markets between their subsidiaries by assigning them trade marks. On the other hand, to accept the Commission view would open the Common Market to U.S. goods bearing European trade marks without any reciprocity on the other side of the Atlantic. The Court can moreover hardly ignore the fact that seven member Governments intervened on the side of EMI, opposing such a solution.

In the last analysis, all these difficulties spring from the changing function of trade marks. At the Law Society's trade mark meeting last week, Mr. Bruce Cawthra, Legal Deputy Director-General of the CBI, criticised the European Court for its "almost Victorian attitude of disapproval towards trade marks." Yet one cannot deny that there is more than a grain of truth in the opinion expressed by the Court's Advocate General in the Sirena proceedings, when he said: "Originally the trade mark was intended to guarantee for the consumer the quality of a product, but now it tends more and more to be nothing but a prop for advertising." As U.S. experience shows, this contradiction can no longer be ignored at a time when the size of the market, the lessening personal relationship between retailers and customers, and the advertising power of manufacturers have reached dimensions undreamed of by the creators of the trade mark system. Though the European Court is hardly equipped for such a task, the trade mark system appears to be in need of an overhaul after 100 years.

Trade Marks. Report on a Survey among Housewives. CBI £2.75.

British Trade Mark Law and Practice. (Report of the Mathys Committee) Comm. 5601 HMSO 73p.

Proposed European Trade Marks. Preliminary draft of a Convention. DTI. HMSO 47p.

Coffee Hag. Case 192/73, ECR 1974 p 731 Sirena. Case 40/70, (1971) CMLR p 414. Terrapin. Case 119/75, (1976) FT ELN January p 10. EMI/CBS, Cases 51, 86, 96/75 (1976) FT ELN Feb., p 7 April p 9. Centrafarm. Case 16/74. ECR 1974 p. 1183.

MEN AND MATTERS

Rayne's U.S. whirligig

"I suppose you could say that it is the whirligig of time turning full circle and bringing its revenge." That was the rather tongue in cheek way that Edward Rayne yesterday described the Debenhams acquisition of U.S. shoe retailers I. Miller from Genesco Inc. at the cost of some $6m.

Just three years ago Debenhams successfully bid for H. and M. Rayne, shoemaker to both the Queen and the Queen Mother, at a cost of £2.6m. Debenhams got off to a head start in that bid through buying the 41.5 per cent. stake in Rayne that was then owned by Genesco, a company which is described in American parlance as "an apparel conglomerate." Until the Debenhams bid Edward Rayne himself was on the Board of Governors at Genesco; now he is chairman and chief executive of H. and M. Rayne, a main Board director at Debenhams, and executive chairman of Rayne-Delman, the group's U.S. retailing subsidiary.

Rayne-Delman, so far Debenham's only venture into the U.S. market, has been a success, and turnover is currently running at around $7m. a year. Miller, which used to run at a loss but which has been profitable for the past year or so, is about three times that size in turnover terms and the combined group will rank as the biggest up-market women's shoe business in the States.

Rayne will get a two-fold benefit from the deal. On the one hand it will gain a new captive market for the shoes it manufactures in its London factory, and Edward Rayne envisages a capacity increase of up to 50 per cent. over the next 12 to 18 months. Secondly the company's retail presence in the U.S. will be considerably strengthened: and a useful spin off will be to bring the pulling power of the Royal Warrant to bear on Miller's outlets, particularly in the year that the Queen is to visit the U.S. as part of the bicentennial celebrations.

Links with Genesco will be maintained since more than half of the Miller outlets are situated in Genesco's Bonwit Teller stores. Rayne has a ten-year lease on these outlets, plus the right to open new stores in any new additions to the expanding Bonwit Teller chain.

Property power

Sir Richard Thompson does not conform to the normal property man image. Before the war, when the first property empires were being built, Thompson was publishing reference books in India. After it, Thompson was for 25 years a politician—MP for Croydon and a junior minister—so that in the heyday of Clore and Cotton he was doing things like signing the Indus Waters Agreement, or, when Centre Point first emerged from the ground, presenting the Speaker's chair to a newly independent Tanzania.

Perhaps this fits Thompson for becoming the second president of property's trade body, the British Property Federation. Capital and Counties, the property group where Thompson is now a non-executive chairman, was not one of the controversial developers—apart from its links with the Crown Agents in Australia.

Capital and Counties has its problems but these do not cramp Thompson's style when it comes to the broad issues. Yesterday he was calling present property laws a "dog's breakfast" and the Community Land Act a "thoroughly misguided piece of legislation." He wanted to see the BPF consulted before legislation was drafted and "established the industry

as a power in the land," with the BPF playing a role like the CBI's.

Understanding has improved, claims Thompson, in that "it took a Labour Government to remove control of commercial rents, the supreme irony. We are no longer seen as just a collection of landlords doing rather too well." One of Thompson's first priorities is to get across the Federation's views on the private rented housing market. "The sheer logic of the thing is beginning to drip through," he claims.

Aero Friend

Bernard Friend rose to be chairman and managing director of Esso Chemicals U.K. and there was general surprise in the industry that quietly, at the end of March, he left the company. A touch of mystery surrounds his decision still, in particular whether constraints on spending at the Fawley, Hampshire, base of Esso Chemicals played any part.

Friend himself says that at 51, he felt a review of career was required, with the important aim of "being quite sure I stayed in this country." In pursuit of that, he has become finance director-designate of the British Aerospace Corporation.

That new nationalised body is expected to be in action around September or October, and until then Friend will be responsible on the aerospace organising committee, where part time members include Esso Petroleum chief Dr. Austin Pearce, for establishing the financial controlling structure.

An intriguing question is why Friend, 21 years with Esso, did not go to the British National Oil Corporation, which has so far sought in vain for an oil man to be chief executive. Friend says no one suggested it to him, and if the approach had come he thinks conflict of interest would have ruled BNOC out.

Opportunities

The wording of job advertisements is not always all that it might be. Take for example an ad in the FT for "Assistant managers—credit" which appeared on Monday. This offered the alluring prospect of starting salaries to be negotiated in "the high four to low seven figure range." I think I know what they mean, but I doubt if they really mean what they say.

Better still is the hospital staff advert from the Harley Street Clinic. This requires a "deputy senior technician to work in a busy suite of four theatres." The ad informs: "Open-heart surgery performed, but experience not essential." Now that should inspire confidence in the patients.

Observer

*After ten years of sanctions the Rhodesian economy still looks strong enough to resume real growth as world economic recovery strengthens demand for the country's exports. **Tony Hawkins** in Salisbury explains the dangers and the prospects.*

Ifs and buts in the Rhodesian economy

POLITICAL CONSIDERATIONS, perhaps more than ever before, are going to affect Rhodesia's economic performance this year. After a difficult 1975, when real gross domestic product fell by 1.5 per cent.—the first such decline since UDI in 1965—the economic outlook has brightened considerably recently.

The upturn of world demand and of prices for primary products, and a better-than-expected agricultural season are the main reasons for believing this. But while the economic omens have moved in Rhodesia's favour, political difficulties have intensified with the closure of the Mozambique border, the widening of the guerilla war, and the announcement of an extended military call-up for Rhodesian territorials.

Although renewed efforts are being made to intensify sanctions against Rhodesia, short of inducing South Africa to participate—there is relatively little that the sanctions policy can now be expected to achieve. Two possible areas exist for intensifying sanctions: the promise of Dr. Henry Kissinger, the U.S. Secretary of State, to seek a repeal of the Byrd Amendment which allows the U.S. to import strategic minerals (especially ferrochrome and nickel) from Rhodesia; and a closing of the Botswana border by Sir Seretse Khama, which would make Rhodesia totally dependent upon the direct Rutenga-Beitbridge Railway.

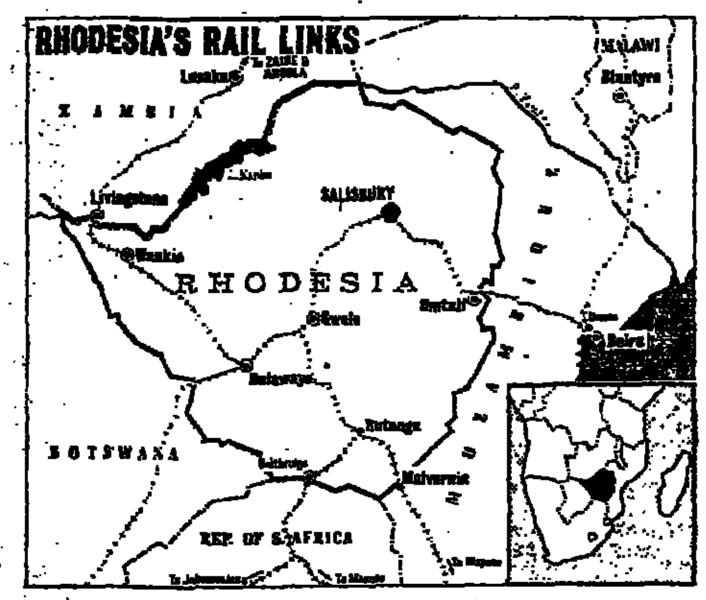
Neither move would have substantial adverse effects on the Rhodesian economy. A repeal of the Byrd Amendment would probably be the more serious; but coming at a time when metal markets are on the upswing, it should not be too difficult for Rhodesian exporters to find alternative buyers, perhaps, though, on less favourable terms. The mining industry is well placed to take such a problem in its stride. After all, the value of output rose 35 per cent. to SR51m. in the first quarter of 1976 (about £44m.), and in the first four months of this year Rhodesian mineral production will have exceeded the annual value of output prior to sanctions in 1965.

So far as a closure of the Botswana border is concerned, the Transport Minister, Mr. Roger Hawkins, said only last week that with the provision of further necessary facilities, the Rutenga - Beitbridge railway would be able to handle nearly double Rhodesia's present traffic using both the Botswana and Beitbridge lines. That implies that closing the border would not achieve anything much. Moreover, it would be likely to have an even greater adverse effect on the Botswana economy than the closure of the Mozambique border is already having.

U.S. elections

The view in Salisbury is in any case that neither strategy is likely to be implemented against Rhodesia in the near future. It is pointed out that Botswana—without locomotives, rolling stock, trained railway staff or maintenance and workshop facilities—could only close its border with overt South African assistance and co-operation. South Africa would have to take over the railway currently run for Botswana by Rhodesia Railways. Besides, it has been reported from Washington that American Government officials were taken aback by Dr. Kissinger's promise to seek a repeal of the Byrd Amendment this year. In Salisbury, certainly, the view is that repeal is unlikely before the presidential elections, and that the ball game could well be very different after those elections.

A member of the Rhodesian Security Forces near the border. The prolonged call up has deprived industry of manpower.



It would be wrong to conclude that there is reason for unbridled economic optimism. The latest figures show that the economy is still in the throes of recession, although there are encouraging signs of an export-led recovery in mining and, to a lesser extent, in agriculture. The volume of manufacturing output is still 8 per cent. below the levels of a year ago, and all published evidence points to a deepening recession in the building and construction industries after a modest 6 per cent. growth last year. Retail sales are roughly keeping pace with inflation: their real growth is negligible.

Tourism was down 14 per cent. in the first two months of the year. Following the murder of three South African tourists at Easter this decline can be expected to speed up. The number of white immigrants is still averaging 950 a month, but almost 1,000 whites are leaving each month. In the first quarter there was a net loss of 56 whites, compared with a net gain of 580 in the comparable period last year.

The official view—expressed in the Economic Survey published by the Treasury on Tuesday—is that the economy is well poised to participate in the international economic recovery, but that it is "unlikely that any noticeable benefits will be felt much before the end of 1976." In particular, the Treasury is saying that the hoped-for improvement of the country's external payments is not expected to be sufficient to allow "a notable easing of import controls" during 1976.

The unofficial view is rather more optimistic. It holds that mining output will rise by more than 20 per cent. this year in value, thanks to the happy combination of increased output (two major nickel projects, Shangani and Epoch have come on stream in 1976) and higher world prices. White-owned farms, after showing a 9 per cent. nominal growth of sale last year, despite lower volumes of production—should do significantly better in 1976. Beef and tobacco output should be higher, although tobacco prices are disappointing. Export demand and prices have improved for maize and cotton, while sugar should be a major export earner.

The open question about the agricultural performance is whether the railways (in South Africa as well as Rhodesia) will be able to move the maize crop, bearing in mind that, quite apart from the closure of the Mozambique border, Rhodesia has lost a significant number of wagons trapped in Mozambique on March 3.

Manufacturing, which showed a 1.4 per cent. decline of volume last year, should do rather better in 1976, mainly because the processing of primary products will offset lower output elsewhere in this sector. Retail sales are likely to grow little in volume, and tourism and construction will be relatively depressed sectors. None the less, the strong performance of the primary sectors should be sufficient to ensure nominal overall growth of the order of 13 or 14 per cent. and real growth of 2-3 per cent., implying a further rise of inflation into double figures. That result would still be below the trend growth rate (since 1965) of about 6 per cent. in real terms, but in the light of the many political and economic difficulties, it would still be a creditable performance.

Import prices

The balance of payments, which deteriorated last year with the current account deficit reaching a post-UDI peak of SR128m. (£111m.), should improve this year. Imports are likely to be low and import prices to rise more slowly, while exports and export prices should be materially higher. But manufacturing and distribution, hard hit by the drastic import cuts of last year, will have to wait until the final quarter (at the earliest) before there is any significant improvement of import allocations.

This scenario gives ground for satisfaction in the economic ministries. It is the political and security aspects that take some of the gilt from the gingerbread. It is impossible to quantify their effects, but it is clear that output could be jeopardised should the extended military call up of territorial units (now on continuous service until further notice) last for months rather than weeks. With no net white immigration, Rhodesia does have a skilled manpower problem, and there is the ever-present possibility that too many or too long call ups will increase net emigration. Business organisations have agreed not to comment in public on the implications of the call up, but there is little doubt that the harmful economic effects could become serious if it is prolonged.

In a country with no business opinion survey it is also impossible to quantify the state of business morale and confidence. The indications are that businessmen are sitting on the fence, awaiting that elusive "political certainty" which Mr. Ian Smith has been promising them ever since he seized independence 10½ years ago. While white political opinion in general has welcomed Mr. Smith's "power-sharing" introduction of African chiefs and tribally-elected MPs into his government, it is difficult to believe that many businessmen see it as anything more than a tactical move, believing that sooner or later bilateral talks will have to be resumed with the Nationalists.

If the economy recovers on course as anticipated in the latter half of the year, and assuming that the new military offensive is successful, then business confidence will be increasingly restored as the year grows older. But the wider political uncertainties surrounding greater black participation in government are likely to proliferate until—despite what both sides are saying now—formal constitutional talks are resumed between the Government and the Nationalists.

Letters to the Editor

The maximum wage

From Professor J. Shepherdson.

Sir,—As a University Professor I know that I can't now afford to pay someone to do my decorating and house repairs. (My salary moved up last October from 38 per cent. down on the cost of living to 18 per cent. down.). But I wondered whether, in my wildest Walter Mitty daydreams, I could see myself in any job earning enough to do that. So I worked out what annual salary I would need to earn so that by working an extra hour at my normal rate of pay I could earn, after tax, the £2.50 which I would need to pay a firm of builders and decorators for an hour's work. The answer, for a married man with children of 12, 14, 16, and assuming a working year of 2,000 hours, is: £16,667-£16,801 or £20,000-£21,799 or more than £29,411.

Mrs. Thatcher was right; to-day virtually no one can afford to pay anyone to do their decorating for them. Note the anomaly: the net pay I would get from working an extra hour does not increase steadily. For a salary of £6,306 it is £2.05; as the salary increases it goes up and down nine times as the salary crosses the tax rate boundaries, reaching a maximum of £2.73 at £21,799, dropping to £1.86 at £21,810 and then going steadily up. For the single man it goes from £1.68 at £5,172 to £1.76 at £20,674, reaching a maximum of £2.58 on the way.

If you are skilled enough to save £4.50 an hour by doing your own car repairs you should do so unless you earn more than £52,940 (at this level it doesn't make any difference whether you are married or single). And suppose you can make your own beer and assume that this replaces buying the same amount of bottled beer. I admit this is an unrealistic assumption but it gives a nice round figure for I reckon that it saves about £8.50 for a hour's work, and that it pays to do this rather than working for an hour at your normal rate of pay provided you earn less than £100,000 a year!

I was surprised to discover how flat was this curve of net return for an extra hour's work against salary. If you leave out the very few earning over £25,000 and the lucky few who are near the top of their tax bands you can say that there is a maximum legal (that is assuming you pay tax on it) wage of about £2 an hour net of tax (slightly less for a single man, slightly more for a family man). To be fair I should call this the maximum marginal legal wage; the single man at £20,675 actually gets about £4.50 per hour for his first 40 hours work; it's the extra hours that only bring in £1.76. But this is what counts if he's thinking of working longer.

There's no need for special clauses in a pay policy to clobber those over £8,500 or £10,000 or even £20,000; income tax has already levelled out the incentives. Of course it makes for a well rounded life; instead of giving extra-mural lectures I should be attending evening classes in plumbing and car repairs. But it's not likely to lead to the best use of the country's skills or to the fullest employment.

J. C. Shepherdson,
School of Mathematics,
University of Bristol,
University Walk,
Bristol.

Incentive for management

From The Managing Director, Egon Zehnder International.

Sir,—In the last few days my company has noted increasing concern among executives at the situation revealed in the British Institute of Management management salary survey. This showed that not only had real wages been eroded in the past year, but also that the provision of fringe benefits to managers was suffering under the impact of company cash flow troubles.

I have regrettably been driven to the conclusion that the only possible short-term method of alleviating the executive brain drain is to increase the non-cash benefits element in senior management remuneration. I regret this trend not only because it distorts the remuneration structure, but also and more importantly because it often results in the wrong public image. A chairman or managing director, for example, might often be seen by his workforce being driven around in a Rolls-Royce thus exciting their envy because they do not often realise that the car belongs to the company, and the executive would be unable to afford it himself! A radical restructuring of the country's personal taxation system, seems a long way off. Companies have consequently realised that they need to move away from the old free market theory of cash "to spend as you please" if they are to continue to attract the best management talent available.

The continuing and, from my personal observation, increasing exodus of good management from the U.K. strengthens the theory of financial disincentive. The incentive to earn is bound to cease at some point. Those in Britain who pay tax at the rate of 83 per cent. (the highest rate applicable to earned income) most often wonder whether it is worth exerting themselves to take home only 17 per cent. of their reward for producing part of the nation's wealth.

In Switzerland, last year's referendum showed that the people believed that any taxation over 50 per cent. would be disadvantageous both to the national economy and those who make it efficient. The state of the Swiss economy at present would seem to be proving them right.

Shrinkage in the provision in fringe benefits is, in the circumstances, extremely worrying and bodes ill for the future economic performance of the country. The Government must take steps to restore financial incentive to management before it is too late.

R. A. B. Gowlland.
87, Jermyn Street, S.W.1.

Recycled paper

From Dr. T. S. McRoberts and Mr. J. S. Clifford.

Sir,—Recent correspondence on stocks of waste paper and board has been concerned with the problems of dealing with comparatively short term fluctuations in usage. Long term availability of fibres may be a more important consideration.

Up to now waste paper has had only one commercial outlet—the paper mill. While other outlets such as feedstock for biological production of alcohol and protein have been researched extensively none has approached commercialisation as yet. Now, however, domestic waste as fuel is meriting serious consideration. The calorific content of domestic waste comes largely from paper.

The attractiveness of domestic waste as a fuel can be seen against a background of rising energy costs. For example the cost of coal delivered to power stations has multiplied by a factor of 3 between 1971 and 1976. The factor for oil is about 5. By contrast the price obtained for mixed waste paper has increased by 50 per cent. in the same period. Such trends if maintained would move steadily against segregating paper from other waste. Once decisions to instal suitable furnaces have been made the process is not easily reversed, especially since paper collection has at best been a marginally profitable operation for local authorities.

If substantially increased recycle of paper is to be achieved it would seem that future problems are not just related to stocks but to the price which the paper industry is able or willing to pay for mixed waste paper.

T. S. McRoberts,
J. S. Clifford,
QMC Wolfson Recycle Unit,
Queen Mary College
(University of London).
229, Mile End Road, E.1.

Exchange control

From Mr. E. Ingram.

Sir,—The rumoured misdemeanours within the Bank of England relating to the current restrictions on overseas investment make it timely to suggest that an inquiry be made into the benefits of those restrictions themselves. I refer to the dollar premium, etc.

Pension funds, and others charged with maintaining the value of "deferred spending" (which is an euphemism for pensions and savings of any other kind), are being forced to leave these investments in loss-making situations (both in overseas companies and unstable countries as a whole), for fear of making a greater loss by selling and having to pay the dollar premium. This is in effect, though to a lesser extent, forcing the U.K. to subsidise other countries' "British Leyland" type situations instead of investing for a profit.

With all our institutions producing new economic studies at a record rate, surely a well publicised study along these lines would be useful? It should also include an assessment of the value of these restrictions to currency stability now that we have a floating pound which was not the case when the restrictions were first introduced.

E. D. Ingram,
Anglia Insurance Brokers.
31, York Road, Northampton.

Rural danger signal

From Mr. H. Watt.

Sir,—The purchase of Viscount Wimborne's Ashby St. Ledger estate for about £2m. by the pension fund of British Airways (April 30) signals once again the plight of pension fund managers desperate in their search for a safe investment for their policy holders' premiums, but this purchase represents a further danger signal to rural society as a whole and owner/occupiers and tenant farmers in particular.

On the one hand British industry needs increased investment to re-equip if it is to compete in world markets, but so long as our inflation rate is twice that of our competitors no one has confidence in our industrial future, so once again farmland becomes the safe haven. Investment return from food production land is probably 5-8 per cent. at best, whereas Gilts are returning double, so obviously capital growth in a land decreasing situation is what pension funds are hoping for. If they are right in their judgment and land once again rises from £500 to £1,000 per acre then the capital transfer tax of owner-occupiers will be doubled and the recent 50 per cent. rebate in the present Finance Bill wiped out for all practical purposes.

Of course, we read regarding Ashby St. Ledger that nothing will change, all tenants and employees will remain, but this is exactly what has been said a thousand times in industry and yet 12 months later, due to financial stringency, rationalisation follows with amalgamations, reductions in staff, redundancy payments, in fact, the shattering of a lifetime's work in small and medium businesses. I suggest that more and more people are coming to realise that "big is not beautiful," particularly when the owners of "big" do not reside and participate in the daily lives of the people under their control, but measure success by return on capital only.

Unfortunately pension funds do not pay CTT as they never die, whereas the real producers of food have this additional burden to face every generation, and unless the present Finance Bill imposes a payment every 15 years of CTT for pension funds, they could become the new large-scale owners of the future, holding on to vacant possession rather than letting to tenants and their farming run by entrepreneurial managers moving from one part of the country to the other, not staying long enough to contribute to rural society.

British Airways pension fund should be investing in British Airways and then perhaps all the policyholders would feel encouraged to improve their efficiency as employees of their investment rather than disinterested workers copying the policy of their betters in extracting as big a return on capital for their investment as possible irrespective of the future of the countryside.

Hew Watt,
Hew Watt (Orsett) Farmers.
Heath Place,
Orsett,
Grays, Essex.

Business schools

From The Chairman, Petroleum Industry Training Board.

Sir,—As one who still has a little to do with business schools and whose near-retired status ensures some objectivity may I comment on Monday's article by Mr. Joel Stern?

Such categorical and uncompromising statements from one so much respected require some justification because strictures from high authority can be particularly damaging. His catalogue of institutions, individuals and theories is an expression of his opinion just as are the parallel selections of Dare Wigan though your racing correspondent is careful to provide some rationale for his choice. The use by Mr. Stern of such loaded words as "outrageous," "do-gooder" and "shocking" does not confer greater credibility on statements otherwise peremptory.

The concept that "the objective is to earn the highest attainable return on total capital properly measured in terms of free cash flow" may seem to some of us as obvious as it did to me 50 years ago, though the passage of years has shown me that it is far from a complete recipe for national prosperity. Our support for business schools has not left us uncritical.

The question that constantly troubles me is why, with our sophisticated planning systems, with so many advances in computation devices, with so many business schools and with such a galaxy of names as those cited by Mr. Stern the world has got into such an economic mess. Perhaps it is because, as the tone of Mr. Stern's article reveals, it does not occur to our intellectual leaders that they may not always be right. But if, in the end, his performance approaches that of Mr. Wigan, we shall all gladly applaud him.

E. F. Choppen.
York House, Empire Way,
Wembley, Middlesex.

To-day's Events

GENERAL

TUC Economic Committee meets to discuss progress of discussions with Government on pay policy, prior to special meeting of TUC General Council. Decision on proposed policy expected to be announced in House of Commons.

Corporation of City of London gives banquet in honour of Brazilian President and Senhora Geisel, Guildhall, E.C.2.

Mr. Anthony Crosland, Foreign Secretary, continues visit to China.

Mr. Eric Varley, Industry Secretary, gives evidence on industry and scientific research to House of Commons Science Sub-Committee.

Duke of Edinburgh attends British Overseas Trade Board export conference, Centre Airport Hotel, Heathrow.

CBI Smaller Firms Council meets.

MCC annual general meeting, Lord's.

Civil and Public Services Association conference, Margate.

Institution of Professional Civil Servants conference, Eastbourne.

PARLIAMENTARY BUSINESS

House of Commons: Agriculture (Miscellaneous Provisions) Bill, report stage.

House of Lords: Debate on local government in England and Wales.

COMPANY RESULTS

Bank of Ireland (full year). Peninsular and Oriental Steam Navigation (full year). Sainsbury (J.) (full year). Burton Group (half-year).

COMPANY MEETINGS

Bronx Engineering, Edgbaston, 12. Church and Co., Northampton, 12. East Rand Cons., 25, City Road, E.C., 11.30. Fairclough (Leonard), Manchester, 11.30. Ford (Martin), Winchester House, E.C., 12. Hewitt (J.) (Fenton), Stoke-on-Trent, 12. Ibstock Johnsen, Great Queen Street, W.C., 12. Jones (A.), Northampton, 11.45. Martin (Tom) Metals, Blackburn, 1. Metalrax, Birmingham, 11.45. Ottoman Bank, Great Eastern Hotel, E.C., 12.30. Stigwood (R.), Grosvenor House, W., 11.30. United States Debenture, 2, St. Mary Axe, E.C., 2.15.

OPERA

Royal Opera production of A Midsummer Night's Dream, Covent Garden, W.C.2, 7.30 p.m.

BALLET

London Festival Ballet dance Dvorak Variations, and Prodigal Son, Colliseum Theatre, W.C.2, 7.30 p.m.

MUSIC

Gililan Thoday (cello), John Blakely (piano), Angela Tennick (oboe) and David Elwin (piano) play music by Boccherini, Schubert, Schumann, Hindemith, Handel and Shostakovich, Purcell Room, S.E.1, 7.30 p.m.

SPORT

Tennis: Paddington tournament. Basketball: Olympic qualifying tournament, Edinburgh.

COMPANY NEWS + COMMENT

Averys exceeds forecast with £9.61m.

SECOND HALF 1975 group pre-tax profit of weighing machine, etc., manufacturers, Averys, increased to £5.94m., compared with a forecast of similar to the £4.98m. for the corresponding period of 1974, giving a figure up from £8.13m. to £9.61m. for the year. Turnover expanded from £52.17m. to £62.02m.

Stated earnings per 25p share rose from 8.5p to 11.4p, and the dividend is stepped up from 4.3426p to 4.7286p net with a final of 3.15985p.

	1975 £000	1974 £000
Turnover	62,018	52,167
Trading profit	9,140	7,629
Investment income	131	192
Share of associates	334	309
Profit before tax	9,605	8,130
U.K. tax	3,111	3,093
Overseas	2,111	1,424
Minorities	193	3
Net balance	4,190	3,610
Extraordinary debits	382	*122
Attributable†	3,808	3,732
Ordinary dividends	1,745	1,602
Retained	2,063	2,130

* Credit. † £5,840,000 including dividends out of prior profits of subsidiaries, has been dealt with in accounts of Averys: 1974 £2,061,000).

● comment

After the steady rise in both turnover and profits by around 18 per cent. last year—leaving the mid-term forecast well behind—Avery's current order book indicates further modest progress this year. And although the company can be expected to benefit substantially when retailers eventually go metric, the shares at 119, where the 6.2 per cent. yield and p/e of 10 is average for the general engineering sector, take account of the fact that the change will be a gradual one. Some real volume growth has been achieved, helped by good demand in Australia, New Zealand, Nigeria and other overseas markets as well as a recovery in the Indian outlet. Overseas sales have increased their proportion of total turnover from the 68 per cent. level of last year while exports have risen from some £9m. to £13m.

INDEX TO COMPANY HIGHLIGHTS

Porter Chadburn £0.69m.

AGAINST a forecast of not less than £454,000 Porter Chadburn, makers of brewery and marine engineering equipment, cranes, etc., has turned in taxable profits of £690,890 for the year to January 1, 1976, compared with £622,519 in the previous year.

The forecast was made last November, when the directors reported first half profits of £227,200 (£297,700), and said the second half figure should not be less than that of the first.

They now say the higher level of expenditure by major brewers has been a major factor in the rate at which profits have been earned in the second half.

This does not indicate any "dramatic" increase in profit for 1976-77 though some improvement is expected, they add.

Net earnings per 20p Ordinary share for the year improved from 9.89p to 10.61p and the net dividend total is lifted from 3.93p to 4.29p with a final of 3.315p—the total gross equivalent is up from 6p to 6.60p per share.

	1975-76 £	1974-75 £
Group turnover	8,367,000	7,227,000
Profit	690,890	622,519
Taxation	343,678	296,587
Net profit	347,212	325,932
Preference dividends	3,969	3,969
Ordinary dividends	138,757	127,111
Tax overprovision	—	34,300
Provision*	17,000	—
Retained	187,486	227,240

* For losses on disposals.

Newman Industries growth

GROUP PROFIT, before tax, of Newman Industries expanded from £1.6m. to a record £1.88m. in 1975 after deducting £185,297 non-recurring trading items.

The year's record profit was achieved through continued growth in exports and overseas business. While group sales increased from £25m. to £25.96m. overseas turnover expanded by 22½ per cent. to £11.82m. with a more than proportionate increase in profits, the directors state.

Trading conditions in the U.K. deteriorated to the extent that two foundries were closed at considerable cost.

However, the group is currently well within its overdraft facilities and the agreement reached in principle for the sale for cash of Moore Reed and Co., a wholly-owned subsidiary, will further strengthen liquidity.

The dividend is raised from 3.2735p to a maximum permitted 3.6p net per 25p share with a final of 2.1p.

It is intended to increase the authorised capital and subsequently to make a scrip issue.

	1975 £	1974 £
Group turnover	25,935,337	25,002,580
Profit	2,069,026	1,596,033
Non-recurring debits	185,297	—
Profit before tax	1,883,729	1,596,038
Taxation	880,817	672,325
Extraord. debits	186,102	345,641
Minority	31,125	21,174
Attributable	665,685	598,944
Dividend	228,036	200,314
Unappropriated	437,649	398,630

● comment

The fall in industrial investment in the U.K. seems to have hit Newman Industries' home business rather harder than the 18 per cent. profits rise on a 4 per cent. increase in turnover would indicate. The electric motors manufacturing side here would be particularly sensitive to this trend and it seems that the second-half fall in profits and turnover would have looked very much worse had it not been for the reported rise in overseas sales and exports of these and other Newman products last year. Concentration on markets in 70 overseas countries continues, although the group currently reports some signs of recovery in industrial demand in the U.K. Meanwhile interest charges are probably still at around the £1m. mark, there having apparently been little change in the proportion of total borrowings to shareholders' funds at just over 100 per cent. in 1974. This could account for the 10.4 per cent. yield and p/e of only 3.9 on the shares at 55p, where the cover is 3.8.

Randalls down to £579,987

AFTER SLIPPING from £261,627 to £214,326 in the first half, pre-tax profits of Randalls Group finished 1975 down from £675,685 to £579,987 on sales of £18.3m. compared with £16.75m.

Sales are now at a more promising level than in the early months of 1975, say the directors, and the policy of expansion in areas which have immediate prospects, and which may therefore offset reduced demand in others, is expected to become increasingly effective in the current year.

They believe that prospects are now better and therefore recommend a final dividend of 2.7824p net per 25p share, raising the total from 3.8735p to the maximum permitted 4.2124p. Stated earnings for the year fell from 14.76p to 10.65p.

Of pre-tax profits, U.K. merchant and retail contributed £377,389 (£447,924), U.K. manufacturing £51,322 (£95,338), and overseas activities £151,276 (£132,423).

Throgmorton Trust beneficially owns 13 per cent. of the equity.

	1975 £	1974 £
Sales	18,303,950	16,738,544
U.K. merchant home	14,630,264	13,250,456
U.K. export	48,297	10,389
U.K. manufacturing	1,893,754	1,911,738
Overseas activities	1,731,015	1,450,731
Trading profit	1,092,836	1,126,909
Profit before tax	579,987	675,685
Tax	283,164	297,704
Net profit	296,823	377,981
Minorities & extraord.	*20,146	*15,501
Available	306,969	239,150

* Debit.

Chairman's statement, Page 27

Laporte better than expected

AGAINST the expectations of second-half profits similar to the reduced £1,237,000 pre-tax of the first, Laporte Industries (Holdings), the chemicals manufacturing group, has achieved a figure of £3,042,000 for the period.

This makes a total for 1975 of £4,279,000, compared with £9,547,000 in 1974 when £7,189,000 came in the first six months.

Commenting on the better second-half result, the directors say that while trading continued depressed until the end of the third quarter, sales then began to improve substantially.

Moreover, actions taken by the directors in 1974 to reduce costs and adjust production rates to match the lower demands, began to take effect.

Trading so far in 1976 is continuing the upward trend which started in the last quarter of 1975, and results so far are encouraging, the directors add.

Stated earnings per 50p Ordinary share for 1975 were 6.64p against 12.10p before, and 10.92p after extraordinary items previously.

In view of the second-half results the final dividend is 2.4p against the 1.8p forecast, making 3.6p net compared with 4.95067p. The gross equivalent is 5.53846p against 7.53748p.

In 1975 special depreciation has been provided totalling £86,000 on plants taken permanently out of production (£935,000) and redundancy payments totalled £715,000 (£75,000). After consultation with the actuary, no further provision has been made for any special contribution to the pension fund (1974—£500,000).

	1975 £000	1974 £000
External sales	62,869	62,578
Trading profit:		
Laporte group	2,360	6,544
Associates	3,697	3,699
Interest payable net	1,778	956
Profit	4,279	9,547
Taxation	1,988	5,423
Net profit	2,291	3,924
Extraordinary debits	—	352
Preference dividends	32	32
Attributable Ordinary	2,259	3,510
Dividends	1,273	1,393

Depreciation charged less transfer from investment grant equalisation account £5,451,000 (£4,362,000). Overseas tax included £1,232,000 (£2,735,000). External sales stated at invoiced value whereas in previous years they were stated at f.o.b. values. Sales for 1974 have been restated at invoiced value.

● comment

Laporte's profits are much better than expected at the half-year following an improvement in sales from the autumn onwards, more overseas than in the U.K. and boosting phthalic anhydride products in particular, as well as titanium dioxide. Currency benefits from the third of U.K. sales exported, and price increases—of around a third in the last 12 months for titanium dioxide—explain much of the advance. The improvement in volume has been relatively modest so far—up from last summer's depressed 60 per cent. of capacity to 70 per cent. now. But the improvement has been sustained in 1976 with obvious hopes of a full recovery to the 1974 total of £9.5m., especially in the absence of exceptional costs of £800,000. This has been recognised in a very strong share price performance this year: the snag is that despite the profits recovery the dividend has still been cut for a yield of 5 per cent. at 111p.

Tricentrol raising £4.5m.

WITH ITS preliminary figures for 1975 showing operating profits before tax down from £1.01m. to £887,000, Tricentrol is offering a rights issue to raise some £4.5m.

The directors feel it is necessary to improve liquidity so as to have available the funds necessary to strengthen the company's position in its continuing exploration programmes: these include the present drilling some 7½ miles north west of the Thistle Field. The finance to develop Tricentrol's share of Thistle has already been arranged.

The rights comprises 10.57m. Ordinary 25p shares at 45p each on the basis of 2 for 5 existing shares, 2 for 5 for which the holders of warrants have the right to subscribe, and 432 for every £1,000 of 7 per cent. convertible loan stock. Arrangements for underwriting are in progress.

Earnings for 1975 are shown at 3p (3.9p) basic per share and 3.4p (4p) fully diluted. No dividend is being recommended (equivalent 0.715p net interim only), but if present expectations are fulfilled the directors would hope to pay an interim before the end of the current calendar year. Later on, when the expected cash flow from Thistle begins to accrue, they will review the present policy of paying dividends only out of commercial division profits.

	1975 £000	1974 £000
Turnover	56,146	48,290
Divisional profit	2,039	1,742
Exploration, etc.	1,573	808
Commercial	464	934
Net interest, etc.	810	459
Discontinued losses	*242	269
Profit before tax	887	1,014
Taxation	177	97
Extraordinary credits	396	†430
Attributable	1,106	474
Dividend	—	462

* Trading losses on discontinued activities. † Debit.

With total group net assets of just over £20m., the group now has access to £60m. of finance for its share in Thistle. The cash flow accruing to the subsidiary should enable the whole of the development finance to be paid off in 1979. Until repayment is completed all cash flow from Tricentrol's share in the field will be devoted to it.

Prospect for earnings from the exploration division remains good, and returns from the commercial side for the first quarter of the current year support expectations of better earnings for 1976.

● comment

After Tricentrol fixed up its £60m. financing package for the Thistle field, there remained the problem of how it was going to finance its other commitments before Thistle becomes a cash generator for the company in 1979 or 1980. This uncertainty is now removed by the rights issue, which has been on the cards for some time. Tricentrol is not, however, paying a dividend for the time being while the results of its industrial operations remain depressed, and the issue has been underwritten at a very heavy discount of 36 per cent. to the pre-rights share price. With the North American and Thistle oil and gas assets valued by the company at a combined £80m., the issue has the disadvantage that oil assets per share are diluted from over 220p to some 170p. But this is scarcely a problem for the shares at 64p, and Tricentrol looks like one of the better North Sea speculations.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Averys	3.16	July 1	2.87	4.73	4.34
Barlows	7.15	—	6.5	7.15	6.5
Brook St. Bureau	3.03	Aug. 1	0.53	4.2	4.2
C.L.R.P. Investment ...int.	0.5	June 1	0.5	—	1.4
Collett Dickenson	1.39	—	1.27	2.66	2.45
Feedex	0.67	July 7	0.61*	1.13*	1.04*
T. C. Harrison	2.23	July 1	2.02	3.33	3.12
Laporte Indus.	2.4	July 12	2.94	3.6	4.96
Lesney Products	0.78†	—	0.44	1.63	0.78
Menteith Trust ...int.	0.2	—	0.2	—	0.45
Midhurst White ...int.	nil	—	0.41	—	0.41
Moss Engineering ...int.	0.84	July 14	0.84	—	3.38
Mothercare	3.1	—	3.11	4.76	4.37
M.Y. Dart ...2nd int	0.62	July 5	0.52	—	1.37
Newman Industries	2.1	July 24	3.27	3.6	3.27
William Pickles	0.36	—	0.36	0.39	0.39
Porter Chadburn	3.32	July 2	2.93	4.29	3.93
Randalls Group	2.78	July 2	2.4	4.21	3.87
Westward TV ...int.	0.5	June 14	nil	—	1.0
W. Williams and Sons	0.5	July 6	0.95	0.8	1.55
Wood and Sons	0.54	—	0.49	0.54	0.49

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

Coral in strong position

THE LEISURE group, J. Coral Holdings, has never been better placed to take advantage of opportunities for expansion either at home or abroad than in the coming year, claims the chairman Mr. N. Coral.

He has every reason to believe that the current year will show a healthy improvement on the previous year. Profits to date have been more than satisfactory.

As reported on April 10, profits for 1975 was £6.53m. (£4.73m.) and the dividend 5.817p (5.451p). On a CPP basis the profit is shown at £8.41m. (£7.08m.). If understatements had not occurred in the casino division profits for 1974 and 1975 would have been higher. The directors, while unable to state precisely the amount involved, have reason to believe that it is unlikely to exceed £0.4m.

The casino division called in the CID to investigate certain irregularities which occurred during 1974 and 1975. Coral's own investigations had revealed that as a result of collusion between certain senior members of the casino management the gaming receipts were understated for a period of 18 months to August, 1975.

● comment

Coral's rights issue document with its mid-February statement on borrowings only partly pre-empted the 1975 accounts; shareholders will still find plenty to occupy the imaginations. Coral has deconsolidated its associate Coral Estates, which apparently lost something like £80,000 last year against £200,000 in 1974; and there is no clear guide to the jump in losses among "other activities" which take in Coral's own property activities and where the auditors frown gently on the group's valuations. Finally, the casino frauds of 1974 and 1975 lost the group about £400,000 in pre-tax profit over an 18-month period. The shares have a trading range this year of 46p starting from a lo wof 98p; they closed 2p lower at 126p yesterday where the 1976 yield is 9.7 per cent.

Winsor & Newton

MANUFACTURERS OF artists' materials, Winsor and Newton, proposes to make a one-for-one scrip issue to holders registered on May 4 capitalising £732,000 of reserve.

Several new products were launched in 1975, and there will be more in 1976 and 1977. This, together with the sustained profit growth in recent years, and the encouraging flow of orders in the current year, forms the basis for confidence in the company's future, says the chairman, Mr. R. Y. Kennedy.

As reported on March 26 group pre-tax profit expanded from £821,575 to £912,454 in 1975 and the dividend is 7.015p (6.575p) net per share.

Overall cash flow was satisfactory and budgets for the next year or so indicate that adequate funds should be generated, says Mr. Kennery.

ISSUE NEWS AND COMMENT

Lesney rights and dividend forecast

UNDERWRITING HAS been completed for a rights issue by toy manufacturers Lesney Products to raise £1.43m. The issue of 3,013,000 new Ordinary shares at 47½p each on the basis of one for every ten Ordinary, Restricted-voting Ordinary and/or Deferred Ordinary shares held.

Lesney also announces profits of £6,831,000 before tax compared with £3,861,000 in the previous financial period. The group had already forecast with the interim statement in February that profits would be in excess of £6m.

The new shares will rank for the final dividend of 0.7813p net per share which the Board is to recommend for the year ending February 1, 1976. This, added to the two interims already announced, would produce a total in respect of the 12 months of 1.625p net. The Board is forecasting 2.34p net for the year 1976-77.

Reasons for the rights were given yesterday as threefold: to help the dividend; to help borrowings and fund expansion; and to enlarge to capital base.

Regarding net borrowings, which peaked at £7.4m. last summer, Mr. Tapscott said this figure would probably be exceeded this summer. At the balance sheet date, however, Lesney was in a net cash position of around £2.3m.

The chairman strongly denied that the rights issue package was a prelude to a rumoured take-over by the group of Berwick Timpo, another toy manufacturer.

● comment

Lesney is raising just 8 per cent. of Monday night's market capitalisation, and the 1976-77 net dividend is going up by a full 44 per cent. But the group is nonetheless at some pains to explain its needs for additional equity capital; this year's working capital peak is going to lift autumn borrowings to about £9m. and there is always an element of gamble on the outcome of Christmas demand. Meanwhile, the February balance sheet can boast net cash of more than £2m.—roughly a tenth of net worth—thanks to last year's upsurge in earnings where around £1.5m. of the pre-tax gain can be put down to a currency bonus. This year profits are ahead after two months, and the 1976-77 yield is 5.7 per cent. at an ex-rights price of 84p.

LOCAL LOANS

The coupon rate on this week's batch of local authority yearling bonds is down from 11¼ per cent. to 10¾ per cent. at par. This week's issues are due on May 11, 1977.

They are as follows: City of Glasgow District Council (£¼m.), City of Leeds (£¼m.), Luton Borough Council (£¼m.), London Borough of Newham (£¼m.), Vale of Glamorgan District Council (£¼m.), Borough of Burnley (£¼m.), Cumbernauld and Kilsyth District Council (£¼m.), Gravesham Borough Council (£¼m.), South Pembrokeshire District Council (£¼m.), Banff and Buchan District Council (£¼m.), South Kesteven District Council (£¼m.), St. Edmundsbury Borough Council (£¼m.), Borough of Blaenau Gwent (£300,000), Metropolitan Borough of Rochdale (£½m.), North Warwickshire Borough Council (£1m.), Tameside Metropolitan Borough Council (£¾m.), Lothian Regional Council (£¼m.), City of Aberdeen (£½m.), London Borough of Brent (£½m.), Hertfordshire County Council (£1m.), London Borough of Redbridge (£½m.), West Yorkshire Metropolitan County Council (£¾m.), Chiltern District Council (£¼m.), London Borough of Greenwich (£1m.), City of Stoke-on-Trent (£1m.) and Test Valley District Council (£¼m.).

In addition, West Glamorgan County Council is issuing £¼m. of 11¼ per cent. bonds due on November 9, 1977 at par. London Borough of Lewisham is issuing £1m. of 11¾ per cent. bonds at par due on May 3, 1978 and Adur District Council is issuing £¼m. of 11¼ per cent. bonds at par due on November 9, 1977.

Other Issue News

Tricentrol, this page

GKN slightly down but better than expected

PROFITS of Guest Keen and Nettlefolds, the major engineering group, were "slightly behind last year, but ahead of what we expected" in the first three months of 1976, the chairman, Mr. Barrie Heath, said yesterday.

However, there were now signs of more movement, with March "quite a lot better than the previous two months." After the recession, things were beginning to stir, though there was no real sign as yet of customers rebuilding stocks in the automotive or fasteners fields. It was difficult to judge whether there was an underlying trend of restocking in steel, since some at least of an upturn in orders in recent months had been in advance of price increases.

Mr. Heath also forecast that the group would undertake capital expenditure of £70m. in 1976, of which some £60m. would be in the U.K. and some £10m. overseas. This compared with £64m. last year—£52m. of it in the U.K., and £8m. on the Continent—as disclosed in Mr. Heath's annual statement with the report and accounts for 1975.

Referring to exports, where the group's aim is to raise the proportion of U.K. turnover exported to 20 per cent. from just under 15 per cent. in 1975, Mr. Heath said: "The fall in the pound has helped. Export is going ahead well, it's ahead of budget and of this time last year. It's on the increase all the time."

Prices of exports were keen. A lot of the orders were from overseas customers, with whom GKN had had long connections; their business was looking up, and so accordingly were their orders. GKN's own broad export aim was to concentrate on automotive and commodity products, such as steel.

Of price controls in various countries, Mr. Heath warns in his statement: "Such legislation, if it continues, will further erode margins, so that insufficient funds will be generated for real growth in the future."

Of the large acquisition of the Sachs motor component concern in West Germany, he says: "From a more substantial presence in Europe, we will be able to develop even closer relationships with our immediate offing.

Mr. Heath, in one of the first references to industrial democracy by a member of the Bullock Inquiry committee on the subject, of which he is a member, remarks: "There is too much uninformed enthusiasm to enact legislation as though this could provide a panacea for all our ills. I strongly doubt whether the mandatory appointment of employee representatives to the Boards of our companies, both great and small, would provide any answer to industrial strife and it would certainly be no guarantee of commercial success. I suspect that a great many trade unionists would at heart agree with me."

In line with the group's policy of keeping employees informed and involved, a "provision of information" programme is under way which, by 1977, "will ensure that every employee is provided with easily understood details of the performance of the company or division" in which he or she works.

A tabloid-size newsheet to employees, coinciding with the annual report, outlines the past year's trading result and other more general material, including a page headed "Britain is spending too heavily on public services."

Hours lost last year in the group through labour disputes showed a 56 per cent. reduction on 1974, compared with a drop of 16 per cent. in the engineering industry as a whole.

The accounts show that the group's contribution to the Conservative and Unionist Party in 1975 was £20,000, against £35,000 in 1974, when there were two general elections. Asked whether it was the policy to reduce the figure, Mr. Heath said: "Conditions were not such that we were feeling that generous last year."

A presentation of the results allowing for inflation on a current purchasing power basis shows that pre-tax profits would have been £58.69m., compared with the £69.65m. in the accounts, and turnover £1,291m., against £1,214m.

Chairman's statement, Page 23

See Lex

Clerical Medical investment

IN VIEW of the uncertainties and the immediate yield differential of gilt-edged over Ordinary shares, the major part of new money arising in 1975 was invested in Government securities, says Sir Robert Black, chairman of Clerical Medical and General Life Assurance Society, in his annual statement.

Clerical Medical had nearly 58 per cent. of the market value of assets in Ordinary shares and property at the beginning of 1975. But the recovery in the stock market allowed it to dispense with the special provision of £40m. set aside last year against unrealised losses.

The result has been to leave the equity proportion of the portfolio at the same level, based on higher market values. Total estimated market value of Ordinary shares at the year-end was £101m. against £46.5m. a year previously and that of fixed interest investments £71.5m. against £34.3m.

Book value of property investments fell by over £3m. to £38.2m. due to a particular sale of a development site, rather than any lack of confidence in property. But the company does not feel the same urgency to buy properties as might be the case with "less well-established funds."

Total new sums assured, including group life business exceeded £287m., an increase of 62 per cent. New annual premiums, including those received on pensions, amounted to £8.4m., an increase of 45 per cent. There was a rise of nearly 28 per cent. in the number of new ordinary life policies.

But Sir Robert comments that while pensions business continues at a satisfactory level, it has been adversely affected by fears associated with high inflation and restrictions imposed by the pay policy.

Chairman's statement, Page 24

Overseas setback for Brook St.

PARTLY reflecting the downturn in the Australian and U.S. economies, pre-tax profit of Brook Street Bureau of Mayfair, the office staff agency, fell by 47 per cent. from £1,280,250 to £678,594 in 1975, after £511,058, against £858,876 for the first half.

Full year earnings are shown to be down from 9.02p to 4.25p per 10p share. The net dividend total is maintained at 4.204p with a final of 3.031p.

Although the decline in profit is "disappointing" the directors point to the U.K., which historically produces more than 80 per cent. of group turnover, where the fall was held at 22 per cent. Owing to expenditure control, profitability actually increased over 1974 levels, they add, but £412,000 of the cut in profit reflected the downturn in Australia and the U.S.

	1975	1974
	£	£
Turnover	10,67[illegible]	15,050,700
Profit before tax	678,594	1,280,250
U.K. tax	408,704	474,946
Overseas tax	12,680	207,171
Credit adj. prior years	33,471	[illegible]
Net profit	290,681	621,5[illegible]
Extraord. [illegible]	[illegible]	[illegible]
Shares [illegible]	[illegible]	[illegible]
Dividends	250,779	181,225
Undistributed	[illegible]	419,260

[illegible] conversion of fixed assets overseas. [illegible]

In recent weeks there has been some improvement in the U.K., although the year started as badly as 1975 ended, and they take a "more optimistic view than would have been prudent about three months ago."

With year-end cash balances at a record £1.16m. the group is well placed to continue its policy of cautious expansion and "will be able to participate fully in the resurgence of business." There are already indications of this, the directors report.

• comment

Brook Street's 1975 profits have followed the same pattern as Reed Executive's with the pre-tax downturn accelerating in the second half; the group's full year profits have finished 47 per cent. lower after a 40 per cent. drop at half-time. In fact, Brook Street reckons that the sharpest fall-off in activity came in the final two months of the year. Temporary placings took the worst tumble and during this period the group estimates that the volume of these slipped by 50 per cent. in the U.K. and 70 per cent. in both the U.S. and Australia; the last two made virtually no contribution to profits last year. Evidence of a pick-up has already become apparent in all three markets though the main benefits will probably not be seen until either late 1976 or early 1977. However, the group's liquid position is now very sound—net cash has been increased from around £678,000 to over £1m.—and it should be well placed to expand if the revival continues. In the meantime, the shares at 41p are yielding well above those of Reed with a return of 17 per cent., covered just over once.

Carpets Intl. to improve

Overall, the affairs of Carpets International overseas continues to improve and the chairman Mr. Peter Anderson expects results to be better than last year. Export performance should be good and export sales so far are well ahead of last year.

U.K. demand so far has been mixed, the chairman reports; January was better than expected, February worse, while March although showing an improvement "had no real substance to it."

He points out that, in times of increasing unemployment, people increase savings and are disinclined to spend until confidence is restored. It is difficult to judge when this may be, he says.

As reported on April 15, turnover rose from £77.42m. to £92.61m. in the 53 weeks to January 3, 1976, but profits decreased from £3.6m. to £2.5m. before tax. The dividend total is 3.51p net (same).

Meeting, 14-15, Berners Street, W., on May 26.

Westward TV

Net advertising revenue of Westward Television advanced from £1,416,271 to £1,893,478 in the half-year to January 31, 1976, and profit before tax and Exchequer levy increased from £73,493 to £280,814.

The chairman, Mr. Peter Cadbury, says it is impossible to make an intelligent forecast of revenue over the second half, but all the signs are that sales will show an increase over the same period of last year.

If this successful trading continues, he hopes that the final dividend will be sufficient to bring the total up to the maximum permitted. The interim dividend is 0.5p net per 10p share (nil). For the year to July 31, 1975 there was a single payment of 1p from a profit of £296,964, compared with 1.323p for 1973-74.

	Half-year 1976	1975
	£	£
Net advertising revenue	1,893,478	1,416,271
Depreciation	67,600	66,600
Profit	280,814	73,493
Exchequer levy	74,000	38,500
Taxation	109,000	—
Net profit	96,814	34,993
Interim dividend	49,246	—
Related tax credit	26,517	—

MINING NEWS

Texasgulf plans £153m. outlay

BY MALCOLM DUMPHREYS

THE VAST amounts of finance which are needed for the exploration and exploitation of minerals coupled with the expansion of existing mining operations to meet the world's growing demand for metal is driven home by the chairman of America's Texasgulf, Dr. Charles F. Fogarty, who said at the recent annual meeting that the company has budgeted to a total of $280m. (£153.1m.) in capital expenditures for 1976.

Texasgulf is the largest American mining company operating in Canada—running the major Kidd Creek base metal mine near Timmins in Ontario—and is effectively controlled by the Canadian Government's Canada Development Corporation.

Part of this year's capital expenditure will be on the Kidd Creek operations with the start of construction of the first 65,000 ton-per-year unit of a 135,000 ton-per-year copper refinery and smelter at the mine. Further development of the No. 2 underground mine and expansion of the Kidd Creek concentrator to increase mine production to 5m. tonnes of ore a year from the current 3.6m. tonnes is also being undertaken.

On Baffin Island, completion of the Nanisivik zinc-lead mine and concentrator will make the operation the first commercial mine north of the Arctic Circle in North America. Further work is also intended on the Marandoo iron ore project in Western Australia where the company is partnered by the Hancock-Wright interests.

Texasgulf is also involved with the Government of Panama in the exploitation of the Cerro Colorado copper deposit and a cross-cut is now being driven into the orebody for sampling purposes. Exploration work at the Izok Lake copper-zinc prospect in the Northwest Territories indicates a "continued very favourable outlook."

Substantial commitments are also proposed for explorations for oil, gas and other minerals as well as planning for a fifth 170,000-ton-per-year phosphoric acid unit at the Lee Creek, North Carolina, phosphate fertiliser complex.

As recently announced, the company's first quarter earnings fell to $15.95m. (£8.72m.) or 52 cents (28.4p) compared with $30.41m. or $1 a share for the same period a year ago. Net income for 1975 was $103.2m. or $3.77 a share.

ROUND-UP

Australia's Northern Mining says in its latest quarterly report that the development proposal for the Murchison iron ore deposit in Western Australia was reviewed once more with certain Japanese interests. Following the discussions a detailed revision of capital cost estimates has been undertaken and a preliminary survey to investigate water resources necessary for the development of the prospect commissioned.

* * *

The AAR group is to take a 50 per cent. stake in International Nickel Australia's holdings in the Western Australian Eneabba mineral sands area. In return, INA can earn a 50 per cent. interest in the AAR groups Eneabba holdings by carrying out exploration over the next two years. Previous drilling has confirmed the presence of low grade heavy minerals in the area.

RMP's veterans lose state aid

IT WOULD appear that the end of the road has almost been reached for the old City Deep and Crown Mines gold producers in the Rand Mine Properties group, itself part of the big South African conglomerate Barlow Rand. The Government Mining Engineer has informed the veterans that they will cease to be classified as assisted gold mines with effect from October 1 this year. State assistance to the group's Consolidated Main Reef ended with the discontinuation of underground mining in August last year.

In the half-year ended March 31, Rand Mines Properties mining operations made a working profit of R24,000 (£15,000) before state aid compared with a loss of R533,000 for the same period a year ago. After adjustment for the over provision of repayment of State loans and mining stores written off and a surplus on the realisation of mining assets, the profit for the latest period amounts to R819,000 compared with R103,000 previously.

In RMP's annual report for the year to last September it was stated that in the absence of a substantial improvement in the bullion price in the "relatively short" term the prospect was one of reducing operating levels and suspending underground operations.

The termination of State aid to the mines could well be part of the Republic's plans to cut-back on assistance to old mines which could not continue without the hand out. This would produce a consequent saving in revenue at a time when the State's share of mining profits has been hard hit by the fall in the bullion price. Gold closed at $128 per ounce yesterday.

BIDS AND DEALS

Now 21p offer for Ashbourne

Incentive Investments, in an effort to solve the Take-over Panel's longest running headache, is making a £1.85m. bid of 21p per share for the Ordinary capital of Ashbourne Investments.

Central and Sheerwood, after consultation with Ashbourne and with the consent of the Panel, has withdrawn its original bid of 18p of new loan stock or 20p a share in cash.

A major obstacle to the success of C and S's bid was that the cash alternative, on the ruling of the Panel, was not to be made available to the original bidding consortium, which holds 44 per cent. of the shares. Topview, a holder of 23.6 per cent., with which Mr. Leon Faust, a director of Ashbourne, is associated and Mr. Bernard Glazer, who owns 22.1 per cent. of the shares in Ashbourne, have both now agreed to accept the II offer. The Board of Ashbourne, excluding Mr. Faust, have also unanimously recommended acceptance of the offer and have done so in respect of their own 3.1 per cent. holding in the company.

Voting control of II is held by Lord Mancroft, Mr. Norman Castle, Lord Fisher of Camden and Mr. E. S. Margulies. The directors are Lord Mancroft, who has become chairman of the company, Mr. Castle and Lord Fisher. On the offer becoming unconditional, Mr. Faust and Mr. Glazer will subscribe for shares in II and will be invited to join the Board. Assurances have apparently been given that voting control will not pass to these interests.

Proposals have also been made to alter the terms of the trust deed constituting Ashbourne's convertible loan stock. These are that the conversion rights will be removed—they are largely irrelevant at the moment—and that the coupon on the stock will be increased from 7 per cent. to 8½ per cent. The Board of Ashbourne also recommends these proposals to stockholders, and application for a re-listing of the stock will be made when the offer becomes unconditional.

The Panel has approved the terms of the offer and proposals for submission to the members and stockholders of Ashbourne. County Bank has acted on behalf of Incentive Investments in this offer.

Debenhams U.S. expansion

Debenhams, the department store, shop and supermarket group, is to pay approximately $8m. (just under £3.3m.) for I. Miller, the wholly-owned shoe retailing subsidiary of Genesco Incorporated. Agreement on the bid, which was instigated by Debenhams, is conditional on Bank of England approval.

It is intended that the acquisition of Miller will dove-tail with Debenhams' existing shoe retailing subsidiary, Rayne-Delman, which has a turnover of around $7m. compared with Miller's $20m.

If the latest bid is successful it will produce a group with combined turnover of $30m., making it the largest high-priced women's shoe business in the U.S.

It was made clear last night that the bid would not be the end of Debenham's acquisition ambitions in North America.

See Men and Matters, Page 18

Phoenix Assurance

THE REPORT and accounts of Phoenix Assurance Company for 1975 show there was a satisfactory profit from the property account, which was partially offset by continuing losses from motor fleet and liability business. The principal cause, states the chairman Viscount De L'Isle remains inflation despite the substantial increases in premiums. The private motor account underwritten by the Bradford and Pennine subsidiaries was profitable last year.

On balance, the overseas account has fared well, reports Viscount De L'Isle. In the U.S., the adverse underwriting experience arose from automobile, general liability and workmen's compensation business. Rate increases generally were too little and too late to reverse the unprofitable trend.

The company recorded good results from its European operation, while in Canada it managed to maintain the improvement of the previous year.

Life business showed an increase of £108m. on worldwide trading last year and the company has increased its rates of reversionary and terminal bonus. Profits from life business transacted by overseas subsidiaries, notably Israel and New Zealand, have contributed significantly to hte transfer from the long-term account to profit and loss.

The main investment policy of the company during 1975 was in high yielding fixed interest securities, but significant amounts were invested in the rights issues on the existing holdings. The company was able by this means to maintain the proper balance between fixed interest and equities. The future of the equity market will depend on the ability of companies to earn profits sufficient to maintain their own momentum and to reward investors, points out Viscount De L'Isle. Prudence, he says, dictates that the company must continue to keep a higher level of liquidity than in past years.

Chairman's statement, Page 29

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price p	+ or −	Div. Amount	Times Covered	Gross Yield	P/E Ratio
‡	F.P.	—	£25¾	£21½	Boise Pacific [illegible]	£25½	+½	40c	—	3.3	—
$10,500	F.P.	—	$10,50a	$9,500	Drastivest [illegible]	$9,500		—	—	—	—
	F.P.	—	£16¾	£14½	[illegible]	£16½	+¼	$1.30	—	4 6	—

FIXED INTEREST STOCKS

Issue Price	Amount Paid up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price £	+ or −
US$100	F.P.		$101	$1[illegible]	Barclays Bk Intl. [illegible] Cap. Notes 1986	$100	
‡115p	Nil	18.5	7½	[illegible]	Bowring (C.T.) 10% Conv. 1987	7½pm	
US$100	F.P.		[illegible]	$96½	Brascan Intl. Cap Corp. [illegible] Conv. Notes 1982	$98½	
‡£99	£10	4.6	10½	10	Chester Water 7% Red. Pref. 1981	10½pm	
‡£99	£10	11.6	10¾	10	East Worcs. Water 7% Red. Pref. 1981	10pm	
£96.5	F.P.		97	96	[illegible]	96½	−½
‡£99	F.P.	28.5	100½	99½	Hartlepools Water 7% Red. Pref. 1981	99½	
£100	F.P.	11.6	[illegible]	[illegible]	Howard & Wyndham [illegible] Unc. Loan 1976-81	88	
US$100	F.P.	—	99¼	96½	LTCB [illegible] Notes 1981	$96½	
US$100	F.P.		$101½	$99½	Manitoba [illegible] 1986	$99½	
‡£99	F.P.	13.8	100½	[illegible]	Mid-Sussex Water 7% Red. Pref. 1981	100	−½
US$100	Nil	..	100	100	Royal Bank of Scotland Floating Rate 1983	$100	
US$100	F.P.	—	100½	100	Sandvik 9½% Bonds 1986	$100½	
‡£100	£50	8.7	74	[illegible]	Scot. Met. [illegible] Conv. [illegible]	67	−1
‡£99	F.P.	14.5	99½	99¼	Sutton Dist. Water 7% Pref. 1981	99½	

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date		1976 High	1976 Low	Stock	Closing Price p	+ or −
87	F.P.	30.4	28.5	[illegible]	[illegible]	BICC	118	−4
120	F.P.	2.3	7.5	[illegible]	[illegible]	Brooke and Hodges	146	
13p	Nil			[illegible]	4	Boulton Wm.	4pm	
65	Nil			[illegible]		Bowring (C.T.)	14pm	−5
20	Nil	19.5	9.6	[illegible]	[illegible]	Brent Chemicals	63pm	
29	F.P.	18.5	15.4	[illegible]	51	Concentric	51	
190	F.P.	9.4	21.5	[illegible]	[illegible]	De La Rue	245	−1
30	F.P.	26.5	30.4	[illegible]	[illegible]	Dennis J.H.	48	
50	F.P.	20.4	11.5	[illegible]	[illegible]	Dew G.	93	−1
50	F.P.	5.4	14.5	[illegible]		Dinmore Invs.	60	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

COMPANY NEWS

Reckitt and Colman confident of growth

FOR THE future the directors of the Reckitt and Colman group will continue to plan and provide, as far as possible, for long term growth, development and profitability, says the chairman Mr. A. M. Mason.

Given the right conditions for trading the business in the U.K. is now clearly capable of producing better results, while on the *Continent he is confident that the* businesses are soundly based and are well placed.

Steps taken in North America should result in further profitable development. *There are many* problems in Central Africa, particularly in Angola and Mozambique, and provision has been made against the possible loss of businesses in those countries.

Mr. Mason says total borrowing *facilities available to the group* have increased and a well matched position of borrowings and assets in the various areas of operations has been achieved.

"Thus, when and wherever the right opportunities for expansion *are identified, we shall be in a* most favourable position to take advantage of them without strain on financial resources in the areas concerned."

In 1975, group sales reached £369.26m. (£319.39m.) and profits came to *£35.42m. (£28.44m.)*, as stated on April 6 with the 8.6397p *(8.096p) dividend.*

Inflation accounts are not presented, but the chairman tells shareholders that their interests were "fully maintained" when measured in pounds of current purchasing power at the end of 1975.

At the year end capital expenditure *contracted* for was 6.62m. (£6.34m.), and further authorisations came to £3.13m. (£2.35m.).

It was also announced yesterday that R. T. French, the main subsidiary in the U.S., and National Paragon Corporation have agreed to postpone consideration of the proposed $17.5m. *tender offer, first announced in* April, until the end of June.

To obtain necessary clearances from the main R and C Board, the Bank of England and the Treasury, French has asked for additional financial information. However, as the annual audit of National Paragon is close at hand, the company feels it would be inappropriate to make such disclosures *at the moment.*

It is anticipated that all aspects *of the proposed offer* will be reviewed after publication of the results. National Paragon says that, as a result, there can be no assurance that a tender offer will be made, or at what price, or whether such an offer would be acceptable to the company. It is unaware of anything in the latest results that would adversely affect the previously proposed *offer of $12.75 a share.*

● comment

Reckitt has only marginally outperformed the market this year despite its obvious status as a currency hedge. The accounts naturally make full play of this overseas strength—but they also allow Reckitt's improving cash *flow control to be gauged* with net borrowings last year dropping 25 per cent. and at December representing barely a quarter of tangible shareholders' funds. *There was no increase in net* working capital last year, while *depreciation and retentions* comfortably covered spending on fixed assets. The shares *yield* 3.7 per cent., covered 2.9 times. And the 1976 p/e could be under 12.

Chairman's statement, Page 22

£202,000 rise for Feedex

WITH ALL divisions contributing, profits of Feedex have advanced *from £385,000 to £787,000 in 1975.* Pig production was "particularly beneficial."

The final dividend is 0.67p on *capital increased by a rights and* subsequent scrip issue. Adjusting for the latter only, *the year's total* is equal to 1.13p net per 10p share, against 1.04p.

Apart from pig production, Feedex manufactures animal feeds and agricultural equipment. Sales for the year totalled £11.61m., a rise of £1.5m.

The rights issue has enabled interest charges to be reduced from £116,000 to £88,000. After tax *of £425,000 (£308,000)* and minorities £40,000 (£24,000), net attributable profit came out at £322,000 (£253,000).

● comment

A considerable improvement in pig prices on the back of an ex*pansion in production was largely* behind Feedex's 34 per cent. pretax growth on a turnover rise of 15 per cent. Good recovery in agricultural machinery sales in the second half, when pre-tax profits jumped 31 per cent., also helped. And the trend has continued into the current year, particularly for *livestock* equipment produced by John H. Taylor: *orders are so buoyant that factory* capacity may have to be doubled *with a £300,000 extension.* Financing is no problem as net borrowings have been virtually eliminated with the rights issue proceeds. Meanwhile, feedmill tonnage sales continue to increase, but a troubling factor is the current dry spell, a continuation of which will affect this year's results. At 38p, the p/e is 10.5 and the yield 4.9 per cent., covered nearly three times by *average earnings.*

Statement, Page 27

Reyrolle Parsons progress

SO FAR as the future of electrical engineers **Reyrolle Parsons** is con*cerned, the chairman, Mr. J. B.* Woodeson, believes that provided *production targets are achieved* without excessive cost increases, the group will continue to make good progress during 1976.

The total order book should ensure capacity working during the year but with many of the group's products, in which the lead time is long, the success of sales efforts in 1976 will have an effect on future years.

The workforce was maintained at a reasonably constant level *during 1975* and the directors anticipate continuing to do so *during 1976 with the exception of* the already planned and accepted *adjustments.*

Failure to achieve a satisfactory *level of orders* during the year will lead to a further reduc*tion in numbers employed in the* ensuing years, the chairman points out.

The need for a planned policy of home ordering is vital, *he says.* The export potential of the British electrical industry is considerable but, in capital equipment, is dependent upon adequate support from the home market.

As reported on April 13, profits before tax for 1975 increased from £4.07m. to £6.99m. and the net dividend is 7p per £1 share (3p). Government measures to control inflation, coupled with improved cost control, contributed to better profitability and greatly assisted in increasing the export workload. *The contribution from the over*seas subsidiary and associated *companies* was again "significant."

*An indication of the adjust*ments which could arise under a *system of current cost accounting* shows a £4.2m. reduction in the *cost of sales* and an additional £2.15m. charge for depreciation. There would also be a £1m. gain on net monetary items and a £3.91m. gain on long term loans.

Meeting, Newcastle upon Tyne, May 28 at noon.

Chairman's statement, Page 25

Eagle Star Insurance expansion

The 1975 report of Eagle Star Insurance *shows* that the value of the life, annuity and pension fund rose from £639m. to £683m. last year.

Premium income from long-term business *amounted* to £76.4m. against £73.7m. in 1974, *while investment* income increased by over £7m. to £37.7m. Claims and expenses were nearly £20m. higher at £89.9m. and the overall rise of the long-term funds amounted to £43.8m.

Mr. Denis Mountain, chairman, states that in respect of overseas life operations, business continues to expand *in Belgium, while in* Australia, the introduction in 1974 *of a new range of policies* has proved successful. The company has become associated with a number of other companies in promoting the development of "Eagle Living Insurance" in the Near and Middle East.

U.K. life business *increased* 50 per cent. in single premiums for *immediate annuities and* 55 *per* cent. in new sums assured, mainly in the area of pension business for groups of employees and the self-employed. Mr. Mountain reports a substantial increase in the managed fund business, operated through Eagle Pension Funds.

The *fire, accident and motor* account recorded an overall loss *of £2.7m. despite premium income* being £21m. higher at £181m. The marine aviation and transport account broke even, on the year's trading, the fund increasing to £26.4m. from £23.2m. over the year.

Mr. Mountain reports that despite the low level of economic activity and the general *lack of* new insurance business, premium *income on the U.K.* fire and general account exceeded £100m. and showed an increase of 28 per cent.

A satisfactory profit was earned on the industrial and commercial property account, but in the "All-In" account the deterioration in experience continued. The company *has increased its unexpired* risks provision by £1m. in its 1975 *trading account to* meet claims arising from the severe wind*storms of January 2 and 3.*

Motor business in the U.K. produced a small profit and liability premium income increased satisfactory, but the accident account was unprofitable. Operating expenses on the fire and general account reflect salary costs, which in turn result in increased *liabilities for pension fund* contributions.

The improvement in underwriting performance on overseas business continued. The company has deliberately cut back on its premium volumes in the problem areas, preferring to restrict the rate of growth rather than witness an inevitable escalation of losses. The chairman reports an underwriting loss in Belgium, now the second largest of the company's overseas operations, but this was well exceeded by investment income. There was a *small profit* in Holland and a reduced loss in *France.*

In Australia the underwriting loss was much less than in 1974, resulting from steady elimination of heavy industrial risks and *emphasis on simple risk business.*

Chairman's statement, Page 21

MY Dart looks to second half

REFLECTING "exceptionally diffi*cult" conditions, profits* of MY Dart fell from £558,000 to £418,000 in the half-year to December 31, 1975, subject to tax of £217,000 against £290,000. Turnover came to £4.64m., compared with £3.85m.

The chairman, Mr. Sidney *Marks, reports that total sales* invoiced in the first quarter of 1976 were some 19 per cent. higher than the comparable period last year.

The packaging division is experiencing improved conditions in *the second half, and the* pyrotechnics side has a good order book and a full programme to the end of 1976.

The medium-term outlook for the group and its export opportunities in particular are "very good" says the chairman, provided costs can be reasonably contained. *It will not be easy to beat 1974-75* when pre-tax profits reached *£1.22m.* but he is *confident* that the first-half downturn can be quickly redressed and steady progress resumed.

The financial position continues to be strong. In March, 1976, the Eurodollar loan negotiated in *1971 became due for repayment;* in late February and early March *options became available to repay* other similar loans ahead of the originally envisaged five-year term. All the loans have now been repaid or converted into a sterling facility.

The total amount in terms of sterling when the loans were negotiated was £1.2m.; the total *required to redeem them was* £1,415,000. The difference will be *dealt with as an extraordinary* item in the full-year accounts.

A second interim dividend of 0.6211335p net is declared, equal to 0.95559p gross and costing £86,365. The maximum total payable for the full year will be 2.31231p gross so the maximum final gross payment will be 1.05672p (same).

● comment

M.Y. Dart's first-half profits decline—*the pre-tax level has slipped by* roughly a quarter—reflects lower demand for both sporting goods and packaging plus the start-up costs of three factories, which amounted to more than £100,000. The group *reckons that this set*back is just a hiccup, however. Demand for sporting goods has already started to recover, both in the U.K. and the U.S., while orders for packaging goods are also beginning to pick up. The sales of *pyrotechnics have continued* to soar ahead in the current half-year and with two of the three new factories now contributing to profits some of the pressure must be coming off profit margins which were nearly halved in the first *six months to* 9 per cent. A full recovery this year may be too much to expect but a profit somewhere in excess of £1m. pre-tax looks a reasonable bet, and this would provide adequate *cover (3 times)* for a maximum dividend *which at 39p should* yield 6 per cent.

Hopkinsons Board optimistic

DESPITE THE many uncertainties, the chairman of **Hopkinsons Holdings**, Mr. L. G. Hopkinson, is confident there *will be a substantial* increase in turnover and profits *in the current year.*

The main problem will be to obtain sufficient orders *to main*tain the higher tempo achieved *in the second half of 1975-76.*

In the last two years exports have been just over 30 per cent. of turnover, but if efforts already being made can be maintained, the *target* to push exports to more than 40 per cent. by 1978 "could be attained."

As known, turnover expanded *from £19.26m. to £28.58m. in the* year to January 31, 1976. Profits *advanced from £1.34m. to £1.59m.* before tax and the dividend is held at 4.11875p net per 50p share.

The group makes valves, screens, sootblowers, etc. Meeting, Huddersfield, on May 27 at noon.

Bury & Masco encouraged

The AGM of Bury and Masco *(Holdings)* was told by chairman Mr. B. L. Allen that the first three months of the current year were encouraging—"generally speaking we are past the recession in our industry, although there are still some flat spots."

He closed by reiterating his previously expressed hope that at this time next year he would be able to report improved results.

DRG capital investment slowdown

A SLOWDOWN in capital investment is anticipated this year by the Dickinson Robinson Group, but capacity is adequate to meet any upturn in demand, says the chairman, Mr. T. Lloyd Robinson.

It is intended to continue to invest in projects or opportunities which will contribute to growth and profitability, he adds.

Expenditure in 1975 decreased from £12.1m. to £10.8m. In recent years plant has been modernised and capacity in paper and board making and the converting factories increased. Year-end commitments were down from £10.2m. to £4.63m. including £1.87m. (£4.85m.) authorised but not contracted.

Inflation continues to make heavy demands on cash resources although in 1975 there was a cash inflow of £4.6m., a partial recovery of the heavy cash outflow of £10.1m. in 1974. As economies revive there will be a further demand for cash to finance new investment and working capital.

As reported on April 14 with the preliminary figures for 1975, the directors expect first-half 1976 results similar to the second half of 1975 and, provided the U.K. and world economies maintain their climb out of recession, they anticipate "a significant improvement in the second half."

Pre-tax profit for 1975 decreased from £31.2m. to £19.7m., after £11.45m. (£14.08m.) for the first half. The dividend is 5.7p net (same).

Exports increased from £23.1m. to £27.4m. While the advance was largely in engineering products, the figures highlight the continuing efforts to improve export performance, says Mr. Robinson.

Profit, before tax, adjusted to current cost basis, is shown at £8m., and the net gain in purchasing power resulting from the effects of inflation on the group's net monetary liabilities at £10.1m. The net book value of fixed assets at current cost is shown at £124.5m., compared with £63.1m. original cost.

While the figures do not include all the adjustments suggested by the Sandilands report, they give a practical guide to the effect of inflation on that basis in 1975, the directors explain.

Meeting, Bristol, May 27, noon.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TO-DAY

Interims—Bellway Holdings, British Industries and General Inv. Trust, Burton Group, Frederick W. Evans, Plaxtons (Scarborough).

Finals—Bank of Ireland, City of Oxford Inv. Trust, Continental Union Trust, Gieves, Greenbank Industrial, Hunting Associated, Newmans Tubes, Peninsular and Oriental Steam Navigation, Photax (London), J. Sainsbury.

FUTURE DATES

Interims—	
Brockhouse	May 20
Central Manufacturing	May 12
Investors Capital Trust	May 11
Muirhead	May 20
Finals—	
Aberdeen Construction	May 7
Beales (John)	May 20
Beattie (James)	May 7
Equity Consort Inv. Trust	June 16
European Ferries	May 10
Ever Ready	May 21
Lovell's Shipping	May 6
Meru Group	May 12
More O'Ferrall	May 11
Peacock Seaside Estates	May 6
Pyramid Group (Publishers)	May 13
Seccombe Marshall and Campion	May 18
Shellabear Price	May 10
Slingsby (H. C.)	May 7
Warrington (Thomas)	May 10

Record £8.53m. by Mothercare

GROUP PROFIT, before tax, of Mothercare, increased from £7.45m. to a record £8.53m. in the year to March 27, 1976, after being up from £3.28m. to £3.62m. at halfway. Sales for the year advanced from £50.47m. to £59.04m.

A final dividend of 3.104p steps up the net total from 4.366p to 4.761p per 10p share, the maximum permitted.

Exports were up from £3.94m. to £5.36m. including £2.83m. (£2.53m.) despatched to overseas companies.

	1975-76	1974-75
	£000	£000
U.K. sales	53,359	45,550
Overseas	5,685	4,923
Total sales*	59,044	50,473
U.K. profit	8,030	7,063
Overseas	495	366
Total profit	8,525	7,429
Surplus disposal props.	—	20
Profit before tax†	8,525	7,449
U.K. tax	4,176	3,729
Overseas	284	236
Net profit	4,065	3,495

* Excluding VAT and sales of raw material fabric to manufacturers of £815,000. † Includes investment income less interest paid of £698,000 (£786,000).

At March 27, 1976 the number of shops trading in the U.K. was 160 (150) and overseas 14 (same).

See Lex

W. Bate going 'quite well'

Mr. Edward Rose, chairman of William Bate (Holdings) told the annual meeting that for the first four months of the current year, business was going quite well, and profits for the six months would not be less than for the second half of 1975.

An export contract was received for 10,000 car sets (door frames and roof drip mouldings) from Korea for the new pony car and now the company is supplying the machinery and the tooling for setting up a local operation by a Korean company on a royalty basis against a technical aid licence.

Meeting, Page 20

Good start by Rentokil

The Rentokil annual meeting was told that 1976 should be a "good year." It had begun well in the U.K., with profits closely in line with forecasts.

Substantial progress had been made overseas, "excellent" trading results being improved in sterling terms by the fall in the value of the pound.

Sunlight Service

The current year at Sunlight Service Group has again seen a fall in the volume of domestic trade, but the chairman, Mr. J. A. Franks, is hopeful that advances made in other areas will enable progress on the profit and dividend fronts.

In the past property has not been recognised as an area of activity within the group. Mr. Franks says the Board is aware of the necessity of realistic returns on the trading activities and has invited Mr. J. D. Burns to join the Board. His prime function will be to advise on the better use of property assets.

As reported on April 8, pre-tax profits advanced from £368,020 to £425,566 in 1975. The dividend is 0.9291p (0.8706p) net.

Meeting, Westbury Hotel, W, on May 28 at noon.

Chairman's statement, Page 29

T. Harrison peak of £0.83m.

ON A TURNOVER up from £14.89m. to £19.91m., group pre-tax profit of Ford and Vauxhall main dealers, T. C. Harrison, increased marginally from £824,596 to a peak £834,371 in 1975, after an unchanged first half of £418,000.

Although difficult to make firm predictions, the directors look forward to "another satisfactory year. It should be possible to give a more positive indication of progress in the report and accounts, they state.

A final dividend of 2.23p lifts the net total from 3.122p to a maximum permitted 3.332p per 25p share.

During the year the company's JCB franchises in the north of England were extended, and further expansion has taken place during the current year.

	1975	1974
	£	£
Turnover	19,912,715	14,892,619
Profit	834,371	824,596
Taxation	435,333	421,705
Net profit	398,038	403,891
Dividends	150,316	149,097
Retained	245,522	254,794

Dividends waived by certain directors for 1975 totalled £14,838.

RMC recovery to continue

THE CHAIRMAN of Ready Mixed Concrete, Mr. J. Camden, points out that results for 1975 represented a significant recovery from 1974 and he says he anticipates further progress this year.

He emphasises, however, that the group is still passing through difficult and uncertain times, and taken overall, there is no sign of a marked upturn in the underlying volume of business. "In these circumstances, we shall continue to be selective in any expansion we undertake."

Inflation is one of the major problems and there is little doubt that the prices of the group's products must be increased if sufficient cash flow is to be generated to replace assets and maintain business in the future, Mr. Camden states. "It is essential that the Government recognises this fact in its price control and taxation policies."

As reported on April 9, pre-tax profits last year rose from £9.22m to £12.64m. on higher sales of £411.89m. against £360.17m. The net dividend is a maximum permitted 4.7p (3.4p).

The main efforts during 1975 were concentrated on maximising the return from the level of business currently available and the results show the measure of success achieved, Mr. Camden says.

Another aspect of the policy of consolidation had been equally successful in that total group net borrowings were reduced from £68m. at December 31, 1974, to £49m. at the end of 1975. The directors have maintained very tight control on capital expenditure and used the excess depreciation cash flow to pay off short-term borrowings.

In addition, the freehold of the office building at Staines was sold for net proceeds of £9.04m.

In January this year, the Italian subsidiary was sold for £2.29m. This business has not provided a satisfactory return on investment and had recently moved into substantial losses. The small business in the Netherlands was also sold last October.

Group earnings for 1975 were reduced by losses from these two businesses totalling £730,000—both disposals were made for a consideration in excess of book value of net assets.

Meeting, Dorchester Hotel, W, May 28 at 11.30 a.m.

Moss Eng. first half advance

BOTH profits and sales of the Moss Engineering Group increased in the six months ended February 29, 1976, and the directors are looking forward to the completion of another good year.

First-half pre-tax profits rose from £272,313 to £364,127 and sales were up from £4.46m to £5.01m. For the year ended August 31, 1975, profits were £791,828 from sales of £9.63m.

The interim dividend is again 0.8375p net per 25p share—the previous total was 2.3775p.

	Six months 1976	1975
Sales	5,014,416	[illegible]
Depreciation	[illegible]	[illegible]
Funding overdr int	[illegible]	[illegible]
*Profit before tax	364,127	272,313
Taxation	[illegible]	[illegible]
Net profit	[illegible]	[illegible]

* Includes investment income £224 (£[illegible]).

Boardroom quarrel hits White Motor takeover

BY JAY PALMER

NEW YORK, April 4.

WHITE CONSOLIDATED'S planned take-over of financially ailing White Motor is off. Following an apparent boardroom quarrel, a majority of White Consolidated's directors voted to end all acquisition talks late last night, only 24 hours before shareholders of both companies were to have voted on the plan.

This 11th hour collapse of negotiations was ostensibly blamed on the U.S. Justice Department's renewed interest in possible anti-trust conflict and an alleged failure by White Motor to secure "essential" post-merger financing. In fact, it seems more likely that White Consolidated directors rebelled at taking over such a large troubled company.

The deal would clearly have represented a massive gamble for White Consolidated. Last year sales of the two companies were practically identical at $1.25bn. At the same time, however, White Consolidated's net profit of nearly $47m. compared with White Motor's overall loss of $69.4m.

The financial problems of White Motor—aside from the similarity of name there is no existing connection between the two companies—have been known for some time and five weeks ago the company spelt out the extent of its crisis. Noting the loss of an exclusive marketing dealership and a downturn in its lorry and farm equipment sales, the company said that its publicised problems have seriously damaged its ability to obtain raw materials on credit.

White Consolidated first proposed a take-over of White Motor in 1970, but that deal was turned down by the Justice Department on anti-trust grounds. In March the Federal Authorities apparently gave approval to the new deal, though still anti competitive, because White Motor "appears to be a failing company."

Recently, however, the Justice Department said that it had re-opened aspects of its investigation into the deal. While this was still far from any categorical decision not to allow a merger, it was apparently enough to swing a majority of White Consolidated directors against such a move. White Motor to-day rejected the allegation that it had failed to secure post merger credit lines.

The Wall Street Journal this morning argued that the collapse of the discussions leaves White Motor with three alternatives—a bankruptcy petition, a hurried search for either a new merger partner or merger terms acceptable to White Consolidated, or simply a sale of assets for cash and a new credit agreement with its banks.

While White Motor's chances of surviving the coming months seem slim (the New York Stock Exchange this morning continued to keep trading in its shares suspended), the breakdown of the discussion could also badly hurt Mr. Edward Reddig, White Consolidated's Chairman and chief executive. Mr. Reddig, the sole architect of the merger, was a former employee of White Motor.

Brostroem warns unions on cutback

BY JOHN WALKER

STOCKHOLM, May 4.

BROSTROEM, the Swedish shipping group, is considering selling off a number of ships in the near future and has warned the unions concerned of the proposed cutback which would affect about 1,000 employees. An alternative for the company would be to register some of its ships abroad, which would cut down operating costs.

The number of ships which would be affected by the proposal amounts to about 15 out of a total fleet of some 65 ships. The latest move comes after the report that the company made a pre-tax loss last year of Kr.103m. (£14m.), on a turnover of Kr.1.79bn. (£222m.) compared with a pre-tax profit in 1974 of Kr.159.2m., on a turnover of Kr.1.69bn.

No forecast for a return to profitability is made in the annual report for 1975 due to the uncertainty of the international freight market. But the annual report does point out that after a 10 per cent. drop in the volume of world trade in 1975, an upswing could take place later this year.

Mr. Ingemar Blennow, managing director of Brostroem is reported to have said that the world tanker fleet is suffering from over capacity. Tanker and bulk cargo ships account for about half the value of Brostroems fleet. Another factor affecting freight is the Soviet Union's policy of "dumping" in terms of freight rate levels, it is claimed. Other causes include the lower wages paid to crews on Liberian registered ships which amount for example, to about Kr.7,000 (£875) per day, per ship, compared with a similar Swedish registered ship which costs about Kr.16,000 per day.

Changing positions in the U.S. 500

By Jay Palmer

NEW YORK, May 4.

THE DISMAL earnings and sales record of the 500 largest U.S. industrial companies last year provided an ironic contrast to those same companies' excellent stock market performance, according to Fortune magazine's latest issue.

Sales of the 500 rose only 3.9 per cent. (before adjustment for inflation) while profits fell 13.3 per cent. to give the severest earnings decline for 17 years. At the same time, however, Fortune noted that the median total return to investors — dividends plus capital appreciation—rose to a huge 51.23 per cent. on Wall Street's sharp recovery.

Ranked by dollar sales, Fortune noted that Exxon retained its position as the largest U.S. industrial company. General Motors, which until two years ago had been the largest, took second place again, followed by Texaco which managed to push past Ford into third place.

Other big changes in ranking involved International Business Machines which increased sales by nearly 14 per cent. and thus shot past both General Electric and Gulf to become number seven in the big league.

Procter and Gamble moved up nine places to become number 19, while General Foods advanced 13 places to be ranked number 44.

Noting that the sharp overall profits decline of the 500 owed much to the setback in oil companies, the study pointed out that the list of money losers rose from 21 in 1974 to 28 last year. Singer, which wrote off its unprofitable business machines division, headed this category with the single biggest loss in the history of the 500—a $US451.9m. deficit.

USSR coming to market for $250m. Euroloan

BY MARY CAMPBELL

THE Soviet Foreign Trade Bank is planning to raise $250m. for five years on the Euromarkets, London banking sources said yesterday. The spread on the loan is expected to be 1¼ per cent. and the lead manager Bankers Trust International.

It is understood that a management group for the loan is currently being put together but that it will not go into syndication until after the $600m. loan for the Moscow-based International Investment Bank has been signed.

* * *

In the first ever Euromarket borrowing by Peurto Rico, the Government Development Bank has arranged a $140m. five year loan. The loan offers lending banks a spread of 1½ per cent.

Peurto Rico has hitherto relied on the New York capital market for its medium and long-term funds. This loan is intended to be the first of a series of non-American financings, Mr. Alfredo Salazar, the President of the Government Development Bank said in London yesterday at the signing ceremony.

Puerto Rico may even return to the Euromarket for funds again this year, he said, but if so it is likely to want to float a Eurobond issue rather than another syndicated loan. The Government of Puerto Rico is currently rated single-A by Standard and Poors and BAA by Moody's in New York.

The move to the Euromarkets is part of a general attempt to diversify Puerto Rico's economic structure away from the U.S. It is keen to attract European and Japanese industrial investment in particular, Mr. Juan Albors, the Minister of State said yesterday. Puerto Rico has offices in Tokyo and Frankfurt to promote such investment and also to encourage foreign tourism.

A number of Japanese companies and a few European ones already have investments in Puerto Rico-Hoffman La Roche for example, recently announced plans for a $60m. plant—but the U.S. is overwhelmingly the most important source of foreign capital.

New First Chicago service

BY MICHAEL BLANDEN

A NEW SERVICE expected to improve the efficiency of the market in Euro-dollar certificates of deposit was launched in London yesterday by First National Bank of Chicago.

The bank's new CD Clearing Centre will centralise all custody and settlement of trades in the clearing house at First Chicago's London branch. It will assure payments on trades between participants in the system and it will eliminate physical deliveries.

Mr. Harrison Tempest, First Chicago's senior vice-president in London, said yesterday that about 50 participants were expected to join the scheme initially. These are expected to include the main market makers, U.S. and European banks and discount houses, and the big U.S. international companies.

The bank pointed out that at present all the banks, traders, discount houses and others involved are making physical deliveries of the actual CD's and making their own settlements. It is argued that the new computer-based system will streamline the market and ensure payment for participants.

Turnover in the market is estimated at some $30bn. last year, and Mr. Tempest suggested that it could be in excess of $50bn. by the end of the Clearing Centre's first year of operation. He hoped the system would service between a third and a half of this trading within 1976.

Participants are required to keep a minimum deposit of $5,000 with the bank. Charges for the service are thought to compare favourably with current costs of similar transactions, at a basic $20 for small dealings with a sliding scale down to around $13 a time for the big dealers.

Mr. Tempest said that he expected the number of participants to grow rapidly. He also looked forward to the possibility that when the service is established it could be extended to cover sterling certificates of deposit issued by banks in London.

Botas bond placing

BY METIN MUNIR

ANKARA, May 4.

ARAB FINANCIAL Consultants Co. of Kuwait is placing bonds worth KD7m. (about $25m.) on the market in the Middle East on behalf of Botas, the state-owned Turkish pipeline company.

Dr Abdel Munem El Tanamly, managing director of the Kuwaiti company, told the Financial Times here to-day that he signed an agreement with the Turks on Monday.

The money will go towards financing the Turko-Iraqi crude oil pipeline which Botas, a subsidiary of the National Turkish Petroleum Company (TPAO) is responsible for. The London-based Merrill Lynch International Bank last year arranged a $150m. Eurodollar loan for the Turkish segment of the pipeline project.

Economic sources say that Botas needs a further $25m. which it intends to obtain by a further international bond issue. Merrill Lynch has been mentioned as a possible manager for this.

The Kuwaiti deal is the first one of its sort Turkey has concluded with an Arab state, observers point out. Sources say that Turkey is considering selling bonds to other friendly Arab states like Saudi Arabia, Libya and Iraq for other projects.

The Turkish-Iraqi pipeline is scheduled to be completed next winter.

Inflation accounting at Amoco Australia

BY JAMES FORTH

SYDNEY, May 4.

AMOCO AUSTRALIA, the local offshoot of the U.S. giant Standard Oil Co. of Indiana, to-day declared record earnings of $A7.38m. for 1975 compared with a profit of $A936,000 in 1974. The profit announcement came one day after the rejection of a joint offer from the Australian petroleum groups, Ampol Petroleum and H. C. Sleigh, to buy out Amoco's operations in Australia. Amoco said that it believed that the 1975 profit improvement would continue through 1976, if wage demands and general cost increases were kept within reason and price increases could be made to offset any rises in costs.

The latest result was after including a $A332,000 currency exchange gain (1974—$A866,000) and a net profit on sale of fixed assets of $A55,700 (1974—$A48,500 loss). It was also after tax of $A6.5m. compared with $A1.4m. in 1974. In addition, the company had been assessed an additional amount of $A1.5m. tax relating to the years from 1961 to 1973. The position is still uncertain regarding 1974 and 1975.

Amoco said that the result reflected the prompt approval given by the Prices Justification Tribunal to enable recovery of crude oil price increases during 1975 compared with delays to price approvals in 1974.

Total refined product sales for 1975 were 280m. gallons, which was 9m. gallons less than in 1974. The decrease was due to lower sales of diesel and furnace oil because of the downturn in manufacturing industry.

In addition to reporting its results on historical cost accounting methods, Amoco has prepared a set of supplementary accounts for 1975 based on current value accounting to allow for the effects of inflation. Under this method depreciation rose sharply because of revaluation of assets to replacement cost, reducing the 1975 profit to $A3.18m.

Under current value accounting total funds employed rose from $A80.7m. to $A119.2m., largely through a $A41.9m. increase in the valuation of the company's Oil refinery near Brisbane.

Current value methods would have given a return of 3 per cent. on funds employed compared with the return shown on historical methods of 9.8 per cent.

Amoco said its exercise highlighted the difficulty of obtaining an adequate return on investments in an inflationary period. The practical acceptance by price approving authorities of these difficulties needed to be fully recognised.

The preparation of the supplementary also set a current value on the assets which Ampol and Sleigh had sought. It was commonly suggested that Amoco wanted a price around $A100m. before it would consider selling but that the two companies offered considerably less.

Swan Brewery shows profits ahead by 21%

By James Forth

SYDNEY, May 4.

SWAN BREWERY, Western Australia's sole brewer, boosted profits by 21.5 per cent. from $A5.89m. to a record $A7.17m. in the year to March 30. The profits were earned on a 25.3 per cent. lift in sales from $A109m. to $A137m.

The directors have decided to add an extra 1 cent bonus element to the dividend, lifting the payout for the year from 7.5 cents a share to 8.5 cents. The only explanation provided by the Board for the stronger showing was that the latest year had one more week than in 1974-1975.

Swan treated a loss of $A670,000 relating to its new $A50m. brewery project as an extra-ordinary item.

Bayerische maintains its winning streak

BY NICHOLAS COLCHESTER

BONN, May 4.

BAYERISCHE Landesbank continued its winning streak in 1975 with an increase in after tax profits of no less than 51 per cent. to DM136m. For the second year running, the bank was able to double its payments almost into its own reserves to DM92m. But at the same time BL is paying an increased dividend of 11 per cent. on a nominal capital of DM400m.

As with the rest of the German banking industry, the driving force behind Bayerische Landesbank's success last year was the rise in earnings from interest differentials, and this pushed profits up from DM363m. in 1974 to DM434.8m. in 1975. The bank's balance sheet total rose by 12.2 per cent. to DM45.7bn.

Looking ahead to 1976 the bank's chairman, Karl Theodor Jacob, said that profits would no longer benefit from expansive central bank monetary policy. Bayerische Landesbank had, he said, made slightly less profit in the first quarter than it had in the same period of the previous year.

Good start at Swissair

BY JOHN WICKS

ZURICH, May 4

INITIAL FIGURES for Swissair for this year have been considerably above both corresponding 1975 results and above targets for 1976, the airline president Armin Baltensweiler told the annual general meeting in Zurich. Tonne-kilometres sold were up 18.7 per cent. for the first quarter and income by 13.4 per cent. Swissair has a target for the year as a whole of traffic up by 5 per cent. and turnover by 8 per cent. on 1975.

With regard to procurement programmes, Baltensweiler said there were "good sales chances" for the Airbus A-300 as a replacement of the DC-9 in the late 'seventies on the airline's European routes, since it seemed doubtful whether Boeing or McDonnell would be able to construct a new, 200-seat European aircraft in the near future.

On longer distances, he said Swissair would consider the B-747 or a longer version of the DC-10 in the future, should the 250-seat DC-10 aircraft prove too small. However, Swissair excluded the possibility of using supersonic aircraft "as long as the essential demands for sufficient range, a reduction of flying noise and much lower operating costs are not met." Baltensweiler added that there had been no decline in first-class seat occupation to Rio since the start of the Concorde service there.

Bank Mees en Hope reviving after disappointing year

BY MICHAEL VAN OS

AMSTERDAM, May 4.

BANK MEES EN HOPE saw its 1975 net profits rise only fractionally by just over 3 per cent. to Fls.21.8m. from Fls.21.1m., while the balance-sheet total actually declined slightly to nearly Fls.5.49bn. at the end of 1975 (Fls.5.51bn.). In terms of results and business performance BMH, which is now part of Algemene Bank Nederland, thus lagged far behind the other Dutch banks in 1975.

At a Press briefing here on the publication of the annual report, the new chairman, Dr. Dick M. N. Van Wensveen blamed a combination of developments for the bank's disappointing performance. After having indicated that most of the internal and policy problems were now out of the way, he added that the first quarter results had been "considerably up" on the same period last year. Demand for credit, the bank has noted, was clearly reviving and the year's good start encouraged him to hope that the full year would be concluded with a return to "a more normal" profit growth trend.

The BMH chairman, who heads a slimmed down and generally younger five-man executive Board, said that in the past year the bank had suffered internal as well as external setbacks. Externally, its activities had been affected by the business downturn as it concentrates on servicing corporate clients while it was also strongly involved in the financing in the commodities trade. Unlike other comparable banks, the setbacks could not be compensated by increased income from retail activities while income from the relatively large securities sector had not yet recovered sufficiently. The developments leading up to the acquisition by ABN had not aided profits either.

The BMH Board stressed, however, that its weak point—the retail sector—was now able to fall back on the large ABN group while the latter's strong international links should offer compensation for the severing of the BMH connections with the U.S. Morgan group which previously held a 20 per cent. interest in the bank. "That is certainly a side element of the merger with ABN which we regret," Dr. Van Wensveen commented. BMH had now tightened the top management and it has good hopes of its corporate finance department and of its new "oil desk" which specialises in financing oil projects, particularly in the North Sea.

Dr. Van Wensveen stressed at the meeting that the bank would retain its own identity—it would continue publishing its own annual report with own balance-sheet and profit and loss account. As for the future, it would concentrate on servicing medium-sized and large businesses, to finance international trade, especially in commodities, and to render services to the professions and private investors. In the past year, the bank has divested some minor foreign interests and is planning to withdraw its 29.9 per cent. stake in the Neue Bank in Zurich. But it had set up Mees en Hope Management in Switzerland.

The bank's annual report shows that total revenue has risen by nearly 9 per cent. to Fls.202.7m. in 1975 from Fls.186.4m. the year before, with total expenses rising to Fls.167.7m. (Fls.151.9m.). On the revenue side, interest income amounted to Fls.129.4m. (Fls.125.4m.), commission to Fls.55.2m. (Fls.52.1m.), securities and syndicates Fls.13m. (Fls.3.4m.) and income from participations Fls.4.9m. (Fls.4.6m.). The balance of various items of income and expenses was down to Fls.0.27m. (Fls.1m.). On the expenses side staff and other costs rose 11 per cent. to Fls.146.9m. The provision for general business risks was again raised to Fls.14.8m (nearly Fls.13m.). The pre-tax profit was Fls.34.9m. (Fls.34.5m.)

Setback at Sprecher

By John Wicks

ZURICH, May 4.

THE CASH FLOW of the Sprecher & Schuh electrical engineering group dropped sharply from Sw.Frs.31m. in 1974 to only Sw.Frs.5m. last year, despite a rise in group turnover from Sw.Frs.356m. to Sw.Frs.405m., due primarily to the purchase of the Belgian company Electricite Industrielle Belge. The marked decline in profitability was the result of the fall in home demand for low-voltage components, increased price pressure, monetary difficulties and the losses sustained by German and Belgian subsidiaries.

The parent company, Sprecher and Schuh AG of Aarau itself booked much lower net profits of Sw.Frs.2m. (Sw.Frs.4.6m.) and recommends a reduction of dividend for the year from Sw.Frs.75 to Sw.Frs.40 per share.

Lower dividends planned for UBS investment funds

BY JOHN WICKS

ZURICH, May 4.

THE UNION Bank of Switzerland announces cuts in dividend for three investment funds administered by its Zurich-based affiliate Intrag. The Canac fund for Canadian shares reported increased dividends from a number of companies in its portfolio for the financial year ended March 31, but income suffered from lower interest rates, a rise in the Canadian withholding tax and a drop in the Canadian dollar's exchange rate against the Swiss franc, leading to a reduction in dividend for the 1975-76 period to Sw.Frs.3.10 (Sw.Frs.3.60).

In the case of the South Africa Trust Fund (Safit), two rand devaluations and a fall in money-market interest rates offset the higher dividends paid by various companies in the fund portfolio. The annual dividend is cut from Sw.Frs.18 to Sw.Frs.14 per share, and the bank points out that there was an increase in 1974-75.

The dividend per share for the convert-invest fund for convertible bonds is down to Sw.Frs.3.60 (Sw.Frs.4), also the result of lower interest rates and a higher Swiss franc.

In spite of the monetary situation, dividend and bond-interest payments in the Denac fund for shares of retail and food-stuff companies increased over the period, while interest on deposits dropped. Profits of the fund (of whose portfolio 57 per cent. was in the food and drink industry and 38.5 per cent. in the retail trade at the end of the year), remained good and annual dividend is unchanged at Sw.Frs.1.90 per share.

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Aquitaine 10pc 1985	103¾	104¼
Ashland 8pc 1987	95½	96¼
Austraswiss 8pc 1987	94½	95½
BFCE 8½pc 1987	99¼	100¼
CNE 9½pc 1995	101¼	102¼
Conoco 8pc 1986	100¼	101¼
ECS 9¼pc 1986	100¾	101¾
EIB 9¼pc 1995	102¼	103¼
ERAP 9¼pc 1985	102¼	103¼
Esso 8pc 1986 Nov.	101	102
Eurofima 9¼pc 1983	99½	100½
Granges 9½pc 1983	101	102
Massey 9½pc 1991	103½	104½
Michelin 9¼pc 1986	100½	101½
MODO 9¼pc 1982	100½	101½
Nfdlnd. Labrador 9¾pc '86	104	105
New Zealand 9¼pc 1982	102¼	103¼
Norpipe 9¼pc 1986	100½	101
Norsk Hydro 9¼pc 1986	102¼	103¼
Oslo 9pc 1986	100	101
Pacific Light 8pc 1988	95¼	96¼
Prov. Quebec 9pc 1984	100½	101½
Scanraff 8¼pc 1988	99½	100½
SFE 9pc 1983	100½	101½
Shell 8pc 1986	101	102
Stand. Oil (Ind.) 8¼pc 1983	102¼	103¼
Svenska Handels 9¼pc 1986	100	101
Volvo 9¼pc 1985	102½	103½
NOTES		
Barclays 9¼pc 1982	101¼	102¼
British Gas 9pc 1981	101	102
Charbon. France 8¾pc 1981	99½	100½
Denmark Mt. Bk. 9pc 1983	97½	98½
ECS 8¼pc 1981	101	102
EEC 8¼pc 1982	97½	[illegible]
Elec. Council 8¼pc 1981	98½	99½
Montreal 9¼pc 1983	101¼	102¼
Nippon Steel 9½pc 1980	103	104
Norway 8¼pc 1981	102	103
Prov. Quebec 8¼pc 1981	100½	101½
Seagram 9pc 1981	102	103½

Source: White Weld Securities.

CONVERTIBLES	Bid	Offer
American Express 4¼pc '87	81	83
Ashland 5pc 1988	86	88
Beatrice Foods 4¼pc 1992	94	96
Beatrice Foods 4½pc 1992	103	105
Borden 5pc 1992	97	99
Broadway Hale 4½pc 1987	78½	80½
Canon Camera 7½pc 1989	140	142
Carnation 4pc 1987	79	81
Chevron 5pc 1988	112	114
Dart 4¾pc 1987	83½	85½
Eastman Kodak 4½pc 1988	117½	119½
Economic Labs. 4½pc 1987	81	83
Fed. Dept. Stores 4¼pc '85	129	131
Firestone 5pc 1988	89	91
Ford 6pc 1986	99½	101½
Ford 5pc 1988	89½	91½
General Electric 4¼pc 1987	94½	96½
Gillette 4¾pc 1987	79½	81½
Gould 5pc 1987	[illegible]	[illegible]
Gulf and Western 5pc 1988	92	94
Harris 5pc 1992	81	83
Honeywell 6pc 1986	82	84
ITT 4¼pc 1987	78	80
Komatsu 7½pc 1990	104½	106
J. Ray McDermott 4¾pc '87	133	135
Mitsubishi Elec. 7¾pc 1991	106	107½
Mitsui 7¼pc 1990	101½	103
J. P. Morgan 4¼pc 1987	115½	117½
Nabisco 5¼pc 1988	91	93
Owens Illinois 4½pc 1987	102	104
J. C. Penney 4¼pc 1987	84	86
Pioneer 8¼pc 1989	293	297
Revlon 4½pc 1987	102½	104½
Reynolds Metals 5pc 1988	87½	89½
Sperry Rand 4¼pc 1987	98	100
Squibb 4¼pc 1987	80	82
Texaco 4¾pc 1988	79	81
Toshiba 6½pc 1990	105½	107
Union Carbide 4¼pc 1982	122	[illegible]
Warner Lambert 4¼pc 1987	90	92
Warner Lambert 4¼pc 1988	83	[illegible]
Xerox 5pc 1988	77½	79½

Source: Kidder, Peabody Securities.

هكذا من الأهل

INTERIM STATEMENT

RMP

Rand Mines Properties Limited

(Incorporated in the Republic of South Africa)

Consolidated Profit

The unaudited consolidated results of Rand Mines Properties Limited and its subsidiaries for the six months ended 31st March 1976, together with the results for the same period last year and the audited results for the year ended 30th September 1975 are:

	Six months ended 31 March 1976	Six months ended 31 March 1975	Year ended 30 September 1975
Turnover*	R15 422 000	R17 747 000	R33 309 000
Profit before taxation	3 646 000	2 812 000	4 943 000
Taxation	514 000	512 000	1 108 000
Profit after taxation	3 132 000	2 300 000	3 835 000
Profit attributable to outside shareholders in subsidiaries	168 000	26 000	278 000
Consolidated profit after taxation	R2 964 000	R2 274 000	R3 557 000
Dividends declared and paid	Nil	Nil	R1 498 000
Number of shares upon which earnings per share are based	11 522 000	11 522 000	11 522 000
Earnings per share based on consolidated profit after taxation	25.7 cents	19.7 cents	30.9 cents
Dividends per share	Nil	Nil	13 cents

*Turnover includes property sales, limited where applicable to the proportion of sales received in cash from which profits have been taken, rentals, sales of gold, farm crops, timber and other trading operations.

Profit before taxation includes:			
a) Profit from the sale of property (Note 2)	R1 845 000	R2 223 000	R3 080 000
b) Profit from mining operations comprising:			
Working profit (loss) from mining operations	24 000	(533 000)	(750 000)
Taxation and lease	(5 000)	—	—
Provision for dump exploration	—	—	(125 000)
Provision for dump vegetation	—	(90 000)	(244 000)
State assistance receivable (Note 1)	475 000	639 000	1 292 000
Provision for repayment of state loans (1975 adjustment of over provision)	(58 000)	127 000	127 000
Surplus (deficit) on realisation of mining assets	306 000	(40 000)	(180 000)
Adjustment of over provision for mining stores written off	72 000	—	16 000
Profit from mining operations (Note 1)	R819 000	R103 000	R136 000

Notes:

1. The Government Mining Engineer has informed City Deep Limited and Crown Mines Limited that they will cease to be classified as assisted gold mines with effect from 1st October 1976. State assistance to Consolidated Main Reef Mines and Estate Limited ceased upon the discontinuance of underground operations.
2. Profit from the sale of property does not occur in a regular pattern and the profits earned in the six months ended 31st March 1976 includes the settlement of two major expropriations.

Dividends

It is the policy of the company to declare one dividend in November each year.

For and on behalf of the Board
G. H. Bulterman } Directors
A. B. Hall }

Registered Office:
Off Main Reef Road,
Crown Mines,
Johannesburg 2001,
South Africa

4th May, 1976

COMPANY NEWS

Prudential's £151m. net new U.K. investment

NET NEW investment in the U.K. by Prudential Assurance for 1975 amounted to £151m., nearly three times the unusually low level of 1974.

Investment in gilts totalled £96m. but the company reduced its holdings in other fixed-interest stocks. The "Pru" increased its U.K. equity holdings last year, principally in supporting rights issues, but this was offset by the sale of £18m. of overseas equities, the proceeds being used to repay certain foreign currency loans.

The company invested £65m. in properties, acquiring some first class holdings on favourable terms.

Premium income on the ordinary life fund rose by £56m. to £359m. and investment income by £33m. to £175m. There was released a sum of £31.6m. as part of unrealised margin of investment over balance sheet values and an increase in value of investments related to linked business of £18.4m.

Claims and expenses jumped by over £30m. to £291m., leaving an excess of income over outgo of £296m. for the year. The fund at the end of the year stood at £1.67bn. compared with an adjusted value of £1.51bn. at the beginning.

In the industrial branch, premium income was £10m. higher at £122m. and investment income was also £10m. up at £75m. Claims, expenses and tax increased by £14m. and the excess of income over outgo amounted to £47m. compared with £37m. in 1974.

The fund at the end of the year amounted to £905m. compared with an adjusted value of £861m. at the beginning. Expense in 1975 rose to 42.5 per cent. from 37.2 per cent. the previous year.

Total premium income in the general branch showed an increase of £35m. on the year to £216m. and the gross underwriting loss (already reported) was £2.8m. (£3.1m.). Gross investment income (including interest on the rights issue money) was £15.1m. compared with £10.5m. in 1974. The amount transferred to profit and loss last year was £7.3m. against £4.6m. for the previous year.

Book value of group investments at the end of 1975 amounted to £3,585bn. (£2,813bn.) and total group net assets were £3,906bn. (£3,070bn.). Market value of all tangible assets was £4,196bn. (£3.139bn.).

Mr. Ronald Owen, chairman, refers to the proposed changes in the organisational structure within the U.K. A substantial need for industrial branch insurance still exists, but this service is labour intensive. There has been a steady rise in the level of expenses as a consequence of inflation and also a gradual contraction in the number of homes at which agents collects premiums.

Mr. Owen refers to the passing last year of the Social Security Pensions Act and the consequent decision of employers as to whether or not to 'contract out. The consideration of the company is that, as a result of the safeguards that have been introduced, contracting out could be worthwhile and merits serious consideration, except for the smallest groups.

Meeting, 142, Holborn Bars, E.C., May 27 at 12.15 p.m.

Chairman's statement, Page 25

See Lex.

Collett Dickenson improves

TURNOVER OF advertising agency, Collett, Dickenson, Pearce International increased from £21.52m. to £24.71m. in 1975, and pre-tax profit advanced from £622,854 to £651,987, after £220,716, against £215,985, for the first half.

And the directors report that "current trading is good."

The dividend is lifted from approximately 2.454p to 2.6603p net per 10p share with a final of 1.3935p—the maximum permitted.

	1975 £	1974 £
Turnover	24,709,354	21,524,624
Pre-tax profit	651,987	622,854
Taxation	425,930	378,683
Minorities	13	7,001
Extraordinary debits*	45,907	—
Attributable	180,137	245,170
Retained	92,564	165,495

* Disposal of interests in a German subsidiary and associated company.

Black and Edgington well placed

1975 was a year of retrenchment for the camping and leisure wear group Black and Edgington, states the chairman, Mr. R. G. Duthie, and he is confident that the group is well placed to move strongly ahead in 1976. Sales for the first quarter confirm this feeling, he tells members.

Production is being substantially increased in the camping division to cope with the additional requirements of both home and export markets, says Mr. Duthie.

As reported on March 26, turnover was £18.78m. for 1975 compared with £21.12m. for the previous 15 months. Pre-tax profit came to £1.35m. (same) and the dividend is the maximum permitted 5.625p net against 6.47p for the previous period.

The group has recently arranged a £1.5m. ten-year loan facility from FCI. This will be taken up over two years and will bear interest at 2½ per cent. over the six-month inter-bank rate.

Meeting, 21, Tothill Street, SW on June 2 at noon.

Chairman's statement, Page 25

Progress at Smith & Nephew

EXTERNAL sales by Smith and Nephew Associated Companies advanced by 15.2 per cent. to £31.69m. in the 12 weeks to March 27, 1976, compared with the same previous year period, and group taxable profits improved by 3.3 per cent. to £2,956,000.

After tax and minority interests, net attributable profit for the 12 weeks was £1,601,000 compared with £1,553,000.

	12 weeks 1976 £000	1975 £000
External sales	31,692	27,509
Operating profit	3,496	3,552
Associates	146	253
Interest paid less received	686	744
Profit before tax	2,956	2,861
Tax	1,345	1,302
Minority	10	6
Attributable	1,601	1,553

● comment

The main point of interest in Smith and Nephew's first-quarter results is the 42 per cent. fall in associates, which reflects the continued poor performance of British Tissues. With excess production capacity in the industry, the likelihood of any recovery here in the current year is slim. Excluding associates, the first-quarter trading gain is 4 per cent. An 8 per cent. drop in interest charges, because of lower interest rates and marginally reduced borrowings, leaves pre-tax profits 3.3 per cent. higher. Within the group, plastics and Gala remain depressed; the latter has still to see the benefits of the recent reorganisation and the current big sals campaign. So S and N will have to depend on its other divisions, which are holding up well, for any growth this year. The shares fell 3½p to 52p, which capitalised the company at £77m. against net worth of around £37m.

Randalls Group Limited

Distributors of Building, Electrical and Engineering Materials

	1975 £	1974 £
Sales:		
U.K. Merchant and Retail – Home	14,630,284	13,380,485
Export	48,297	10,339
U.K. Manufacturing	1,893,784	1,911,738
Overseas (all activities)	1,731,015	1,450,731
Total Group Sales	18,303,380	16,753,344
Trading Profit	1,092,056	1,126,309
Profit Before Taxation	579,987	675,685
Taxation – U.K. and Overseas	293,164	297,704
Profit After Taxation	286,823	377,981
Minority Interests and Extraordinary items	(20,146)	18,801
Net Profit after Taxation available for Distribution	306,969	359,180
Earnings per Ordinary Share	10.65p	14.76p
Dividend per Ordinary Share		
Interim	1.43p	1.474p
Tax Credit	0.77p	0.7260p
Final Recommended	2.7824p	2.3995p
Tax Credit	1.4982p	1.2920p
Total Dividend	6.4806p	5.8915p

Dividends:

Shareholders have already received an interim payment equivalent to a gross dividend of 2.20 pence per share. In considering their recommendations for the final payment the Directors have needed to take into consideration not only the results for the year under review but also future prospects. They believe that these prospects are now better and therefore recommend a final payment equivalent to a gross dividend of 4.2806 pence per share so that the total distributed for 1975 will show an increase of 10% over the previous year, which is the maximum increase permitted under current legislation. The dividend is payable to shareholders on the Register at the close of business on the 17th May 1976. Dividend Warrants are to be despatched to shareholders on the 1st July 1976 and will be payable on the 2nd July 1976.

Prospects:

Sales are now at a more promising level than in the early months of 1975 and our policy to expand in areas which have immediate prospects, and which may therefore offset reduced demand in others, is expected to become increasingly effective in the current year.

Annual General Meeting:

This will be held on Thursday, 3rd June 1976. Copies of the Directors' Report and Accounts were despatched to shareholders on the 4th May 1976.

ANIMAL FEEDS.
PIG PRODUCTION.

FEEDEX

AGRICULTURAL
EQUIPMENT
MANUFACTURERS.

RECORD GROUP SALES AND PROFITS

£000	1975	1974	1973
Group External Sales	11,610	10,108	7,260
Profit before tax	787	585	468
Taxation	425	308	234
Minority Interest	40	24	18
Profit after tax and minority interest	322	253	216

Feedex Limited, Burstwick, Hull

Instituto de Resseguros do Brasil

The Reinsurance Institute of Brasil

Growing in step with Brasil

Instituto de Resseguros do Brasil handles all the reinsurance business placed in Brasil and expansion has brought us to Britain. IRB's integrity and wealth of experience is well known throughout the insurance markets of the World.

For many years we have been transacting a large volume of business with International Markets. For the past year in our London Office we have been accepting a growing volume of Marine, Aviation and Non-Marine Reinsurance.

IRB's expansion in London is in line with Brasil's developing position in the World.

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Telex 38 2121019
Cables IRBR BR

London Office:-
14 Fenchurch Avenue, EC3
Telephone 01-488 4643,
01-481 4208 Telex 885469
Cables BRASIRB LONDON

Consolidated Annual Financial Statement
as at 31st December 1975

	£	£
Capital & Reserves		
Issued and paid-up capital	13,792,578	
Reserves–including statutory inflation adjustment	14,381,029	
Unappropriated surplus	6,522,925	34,696,532
Reinsurance Funds		40,791,003
Current Liabilities Provisions and other Reserves		
Federal Government funds	15,608,355	
Special purpose funds	2,341,531	
Local currency deposits retained from insurers	35,663,939	
Foreign currency deposits retained from insurers	27,081,158	
Balances due to Ins. companies	20,038,893	
Sundry provisions and other balances	8,492,057	109,225,983
		£184,713,468

	£	£
Fixed Assets		
Land and buildings	2,768,056	
Furniture, equipment, etc.	730,930	
	3,498,986	
Statutory inflation adjustment	3,874,996	
Less	7,373,982	
Accumulated depreciation	1,265,223	6,108,759
Investments and Loans		
Treasury Bonds	12,507,999	
Other Securities	107,693,311	
Fixed term deposits	16,658,773	
Statutory Loans	—	136,860,083
Statutory Deposits		12,023,475
Current Assets		
Deposits retained by insurers	3,476,062	
Balances due by insurers	15,006,223	
Sundry balances	1,851,912	
Cash at Bankers and in hand	9,384,954	29,721,151
		£184,713,468

Consolidated Income and Expenditure Statement
for the year ended 31st December 1975

	£	£
Premiums–Net		84,138,525
Investment income	20,029,901	
Financial income	5,617,262	25,647,163
Other income		1,871,194
		£111,656,882

	£	£
Commission–Net		19,487,963
Claims–Net		36,472,754
Technical Reserve adjustments–Net		10,418,790
Investment expenses	350,264	
Financial expenses	10,282,605	10,632,869
Management expenses		9,967,091
Statutory Appropriations including Taxation		18,154,490
Unappropriated Balance as per Balance Sheet		6,522,925
		£111,656,882

To guarantee its reinsurance operations, not only in Brasil but also abroad, the IRB can rely on the following specific resources:

Capital & Reserves	28,173,607
Additional Operation Fund	16,540,010
Foreign Currency Deposits	27,081,158
Total	£71,794,775

Incorporated in Brasil with Limited Liability

CBI INDUSTRIAL TRENDS SURVEY

Overseas orders lead revival in business

THE CORNER of the industrial recession in the U.K. has been turned, according to a Confederation of British Industry survey. Manufacturing output is on the increase, even in the depressed capital goods sector. Rapid shedding of labour appears to have ceased. And there are particularly encouraging signs reported in the trends for export orders.

This broadly optimistic picture of a steady but potentially sustainable economic revival engineered by export growth and an end to destocking is painted by the latest of the CBI's authoritative quarterly "Industrial Trends Survey."

The latest survey, based on replies to questionnaires sent out last month, is of especial importance in that it is the first to test the validity of the growth in business confidence recorded by the CBI over the last four or five months.

In general, it shows that the optimism expressed for the short-term future by companies at the beginning of the year has been justified by their experience of orders and output trends since then.

For the immediate future, the survey suggests that the revival in activity and confidence—albeit from an exceptionally low base—is gathering pace and contains some particularly hopeful elements.

The fact that the upturn has been led by the combination of a rapid rise in export orders and an end to destocking, rather than by reflation in domestic demand as in the past, is regarded by the Confederation as of considerable importance in providing a firmer base for the upturn.

Added to this are the indications given in the survey that the capital goods sector is reviving much earlier than usual at this phase in the business cycle, while the trends in corporate liquidity are also broadly encouraging.

Below capacity

But the positive balance of companies experiencing more orders and more optimism about the future has to be set against the extremely depressed levels of the latter part of last year, the CBI says.

In particular, it points out that more than three-quarters of companies are working below capacity and that only a tiny minority expect lack of capacity to limit output over the future.

Shortage of orders still remains by far the most commonly cited reason for companies believing that output will be limited over the next four months.

The inquiries suggest that further labour shedding may still go on during the year, although at a much lower pace than last year. And most companies still expect investment authorisation on new buildings to be lower in the next 12 months than in the last year, implying that the year will still see a substantial fall in capital investment.

The survey further shows that companies see little sign of any real easing in cost pressures despite the success of the current £6 pay policy.

The theme of cautious optimism is seen with suprisingly little variation through most of the major sectors of manufacturing industry and on most of the key economic factors which respondents were asked their opinion.

The survey, which carefully weights its results by the relative importance of the companies questioned, draws its conclusions from the "balance"—the difference in the percentage of companies answering in one direction over another—of companies responding.

At the broadest level of optimism about the general business situation, a positive balance of 24 per cent. of companies expressed more optimism rather than less.

This compares with a balance of 10 per cent. recording more confidence in the CBI's previous survey carried out in January and follows on two years in which an average balance of 42 per cent. of companies expressed greater pessimism about the business situation in 1974 and 1975.

Optimism

The optimism was felt among most sectors and through companies of differing sizes and in the past has tended to prove a fairly accurate indicator of how activity itself would be moving.

A major exception to this was the drinks and tobacco sector, where there continued to be widespread pessimism. But optimism was surprisingly strong in the capital goods sector and, as could be expected in a revival led by export demand for consumer durables, paper and printing, electrical engineering and chemicals all showing marked recovery in confidence.

The growth in confidence is backed by the more favourable trends in new orders and in output among companies. A balance of 24 per cent. of companies report an increase in the value of new orders in the past four months — the most favourable figure for two years—with larger companies, producers of consumer and intermediate goods and chemical and textile companies showing the most rapid growth.

While replies in value terms obviously reflect partly the inflation in prices, a positive balance of 8 per cent. of companies recorded for the first time in a year an increase in the volume of production over the last four months and a balance of 26 per cent. expected a rise in volume output over the next four months.

Among the broad industry groups, only food, drink and tobacco and, to a lesser extent, mechanical engineering offered perceptibly weaker forecast. But even in these two groups more companies predicted an output rise rather than a fall.

Two major factors inducing these favourable trends are clearly brought out by the survey as an end to widespread destocking and a rapid growth in export orders.

On balance, 5 per cent. of companies reported lower stocks of raw materials and bought in supplies over the past four months compared with the average balance of 23 per cent. reporting this in previous surveys—suggesting that destocking has slowed down very considerably. A balance of 9 per cent. now expect to increase stocks of supplies over the next four months, the first positive balance since October, 1973.

Little change is reported in stocks of finished goods, but a small balance of 8 per cent. did expect an increase over the short term.

Formidable

While the end to de-stocking suggests that the recession does seem to be over, the most formidable vehicle for rise in orders does now seem to be in the export field.

In one of the most optimistic results since the series of quarterly survey was first introduced in 1961, the CBI records that a balance of 28 per cent. of companies expressed more optimism about export prospects for the next year.

Increasing optimism was particularly widespread in the consumer goods sector and, among the industry groups, in metals and metal manufacture.

Bearing out the expectations expressed in the last survey, a balance of 25 per cent. of companies recorded an increase in the intake of export orders in the past four months and a balance of 40 per cent. reported an increase in export deliveries.

New export orders have been particularly buoyant among producers of consumer goods and there is also emerging an improvement, if slower, at the heavier end of industry.

A balance of 44 per cent. of companies expect an increase in the value of new export orders over the next four months and a balance of 49 per cent. expect an increase in export deliveries.

More than half the companies answering the questionnaire recorded higher prices for exports and, reflecting the devaluation of sterling, there was a slight drop to 48 per cent. in line with past trends—of companies expecting new orders to be limited because of U.K. price competitiveness with overseas suppliers.

Looking at the factors which may restrain the economic upturn the survey finds the majority of companies citing lack of orders to fill capacity and only a few companies suggest that lack of capacity or lack of money is acting as a restraint.

A balance of 76 per cent. of companies, the survey says, are working below capacity suggesting only a slight improvement from the 78 per cent. reporting this in the January Survey and an average still well above the level of 56 per cent. through the 18-year series of surveys as a whole.

In four sectors—mechanical engineering, electrical engineering, metals and metal manufacture and vehicles—there has been an actual worsening of the situation since January and only 8 per cent. of companies expected a lack of plant capacity to limit output over the next four months.

While showing a slight improvement, 52 per cent. of all manufacturing industry still has less than four months' orders in hand and only 7 per cent. of companies expected output to be limited because of shortage of materials or components.

The continuance of over-capacity is bound to affect the timing and pace of any investment recovery and this is borne out by the results of the questions on investment intentions in the survey.

There are signs of relative improvements from previous surveys, but still very cautious signs. A balance of 15 per cent. of companies expects an increase in investment authorisations on plant and machinery over the next 12 months, but a balance of 8 per cent. still expects a decline in authorisation on building.

Predictions

The CBI says that it holds to previous predictions that the volume of manufacturing investment will fall by around 8 per cent. between 1975 and 1976 as a whole. But it suggests that the turn-around could be reached in the second half of this year and that investment in the 12 months ending June 1977 could be up to 10 per cent. higher than in the previous 12 months.

Continuing overcapacity and a slow revival in investment also bode ill for any dramatic improvement on the employment front.

Here again the results of the April Survey suggest that things are becoming "less bad." Only 4 per cent. of companies on balance expect to reduce employment over the period until next August. But a balance of 31 per cent. still reported a fall in the number of employed in the last four months and, while 13 per cent. of companies expect output to be limited over the future by a shortage of skilled labour, this was still only just half the average recorded over the last 16 years.

The CBI admits to being uncertain on the employment prospects in view of the latest official figures on vacancies and the number of wholly-unemployed. Yet it still holds the view that there will be a further fall in manufacturing employment of perhaps 0.5 per cent. between March and July.

On the issue of prices, companies remain fairly pessimistic about trends with a balance of 83 per cent. experiencing an increase in average costs per unit of output and a high balance of 80 per cent. expecting this to continue in the next four months—a disappointing result in view of the Government's success in the current round of its anti-inflation policy.

The CBI's six-monthly question on corporate liquidity included in the survey provided fairly optimistic results.

Of the factors likely to limit output over the next four months, only 4 per cent. of respondents specified "credit or finance" and there was a balance of 34 per cent. of companies recording an improvement in their net liquidity position over the last year—albeit from an exceptionally precarious base.

The CBI says that the results conform to a picture in which "manufacturing industry as a whole is moving out of a widespread recession with the lighter end of industry broadly in the van, but capital goods producers showing encouraging signs of following suit."

Details of trends

TOTAL TRADE—1,865 respondents. All figures are percentages based on a weighted sample. Figures in parentheses show the response to the survey carried out last January.

	More	Same	Less
Are you more or less optimistic than you were four months ago about the general business situation in your industry	34 (22)	56 (66)	10 (12)

	More	Same	Less	N/A
Do you expect to authorise more or less capital expenditure in the next 12 months than you authorised in the past 12 months on:				
(a) Buildings	20 (22)	38 (34)	29 (34)	13 (10)
(b) Plant and machinery	41 (38)	32 (34)	26 (28)	1 (1)

	Yes	No	N/A
Is your present level of output below capacity (that is, are you working below a satisfactorily full rate of operation)	76 (78)	23 (20)	1 (1)

Approximately how many months' production is accounted for by your present order book or production schedule:

Less than 1	1-3	4-6	7-9	10-12	13-18	More than 18	N/A
12	40	14	5	2	2	3	22

Excluding seasonal variations, what has been the trend over the past four months, and what are the expected trends for the next four months, with regard to:

	Trend over past four months				Expected trend over next four months			
	Up	Same	Down	N/A	Up	Same	Down	N/A
Numbers employed	13 (10)	43 (39)	44 (51)	— (—)	17 (11)	62 (58)	21 (31)	— (1)
Value of total new orders	44 (36)	31 (31)	20 (30)	5 (4)	49 (37)	38 (45)	8 (14)	4 (4)
of which:								
(a) domestic orders	38	34	24	5	38	46	11	5
Value of output	57 (52)	29 (32)	14 (16)	1 (—)	64 (51)	29 (38)	7 (11)	1 (—)
Volume of output	32	43	24	1	37	51	11	1
Value of domestic deliveries	48	32	18	1	52	37	10	1
Stocks of:								
(a) Raw materials and brought in supplies	24 (19)	46 (43)	28 (37)	2 (2)	25 (16)	57 (63)	16 (19)	2 (2)
(b) Finished goods	24 (25)	43 (39)	23 (26)	11 (9)	22 (22)	53 (52)	14 (16)	11 (9)
Average costs per unit of output	83 (83)	15 (15)	1 (1)	— (1)	82 (82)	16 (16)	2 (1)	— (1)
Average prices at which domestic orders are booked	60 (59)	34 (37)	4 (5)	2 (2)	66 (65)	30 (29)	2 (3)	2 (2)

Export trade

Firms completing these questions have direct exports exceeding £10,000 per annum. Number of respondents 1,404.

	More	Same	Less
Are you more or less optimistic about your export prospects for the next 12 months than you were four months ago	40 (32)	49 (56)	12 (13)

Excluding seasonal variations, what has been the trend over the past four months, and what are the expected trends for the next four months, with regard to:

	Trend over past four months				Expected trend over next four months			
	Up	Same	Down	N/A	Up	Same	Down	N/A
Value of new orders received for exports	46 (36)	31 (37)	20 (24)	3 (3)	53 (40)	35 (43)	9 (15)	4 (3)
Value of export deliveries	54 (47)	30 (36)	14 (16)	2 (1)	59 (51)	30 (38)	10 (11)	1 (1)
Average prices at which export orders are booked	57 (50)	34 (43)	5 (5)	4 (2)	59 (56)	33 (38)	3 (4)	4 (2)

APPOINTMENTS

Burnett & Hallamshire Group

Mr. N. F. Swiffen, chairman of BURNETT AND HALLAMSHIRE HOLDINGS, has relinquished the post of group managing director and also that of chairman of the subsidiary Boards and has assumed the title of group executive chairman. The group's financial director, Mr. George Helsby, has been appointed managing director, while retaining overall responsibility for finance. Mr. E. Grayson, managing director of N.S.M., and Mr. S. R. W. Williams, managing director of Hallam Polymers and Engineering, have been appointed chairmen of their respective Boards. Mr. J. M. Slater, managing director of H. Camm and Co. and a director of Hallamshire Industrial Estates, has been appointed chairman of both companies. Other Burnett and Hallamshire Holdings appointments include Mr. T. Lowe to the Board of Hallamshire Industrial Estates, and Mr. J. Beighton and Mr. P. M. Cole to the Board of H. Camm and Co.

★

Mr. Carlyle Pratt has been appointed a director of MATTHEW HALL ENGINEERING. Since 1967 Mr. Pratt has been responsible as divisional director for the contract accounts and cost control departments. Mr. Stan F. Holden and Mr. Frank D. Thomas have been appointed divisional directors of the company. Mr. Holden has been chief estimator since 1967 and Mr. Thomas procurement manager since 1971.

★

Mr. J. H. Paterson has been made finance director at SIR W. H. BAILEY AND CO., an IMI subsidiary. He became secretary of the company in 1970, the post he held prior to his appointment to the Board.

★

Mr. Derek Hinks has been appointed group marketing director, and Mr. Douglas Fisk group planning and projects director of NEWAGE ENGINEERS, part of the Charterhouse Group. Mr. Hinks was previously a director of Newage's electrical division and Mr. Fisk was also a divisional director until his appointment last September as group planning manager.

★

Mr. P. J. W. Shuttleworth and Mr. R. J. Lupini have been appointed directors of LINDUSTRIES MANAGEMENT SERVICES.

★

Mr. M. R. Lawrance has been elected a director of J. H. MINET AND CO.

★

Mr. Malcolm Jones has been appointed finance director of WESTLAND HELICOPTERS and has relinquished his post as group financial controller, Westland Aircraft. Mr. A. R. B. Hobbs becomes accounting director and secretary of Westland Helicopters.

★

Lord Bradwell (formerly Mr. Tom Driberg) has accepted a directorship of a new insurance company in Cyprus, the EAST MEDITERRANEAN INSURANCE AGENCY, who act as attorneys and general agents in the island for the Black Sea and Baltic General Insurance Company of London.

★

Mr. John N. MacLean has been appointed to the Boards of HOGARTH SHIPPING COMPANY and H. Hogarth and Sons.

★

Mr. W. W. Hedley has been appointed a finance director of BURRELL AND CO.

★

Mr. A. Foulkes has been appointed managing director of WILTSHIER SHOPFITTING. Mr. Foulkes started 12 years ago as a setter out and has worked his way up through the company. Mr. C. Cheesman becomes director of the joinery department after nine years with Wiltshiers, during which he has been joinery manager in control of two factories in Chartham and Canterbury. Mr. B. Prett, who joined the company 17 years ago, takes up the appointment of pre-contracts director responsible for obtaining new business both in the U.K. and overseas. This restructuring will allow Mr. Jeremy Wiltshier, who now becomes the division's chairman, to spend more time on overall group activities.

★

Mr. G. K. Johnston, of Bone Cravens, has been elected president of the BRITISH PLASTICS FEDERATION. Dr. K. W. Geddes becomes vice-president.

★

Mr. Tony Glasbey has been appointed managing director of CHAMPION TYRE REPAIRS, a subsidiary of the Industrial Distributions Group.

★

Mr. David Wilson has been elected chairman of the Scottish Branch of the INSTITUTE OF BUILDING.

★

Mr. Robert Rowell has been elected president of the Newcastle-upon-Tyne and District Centre of the BUILDING SOCIETIES INSTITUTE. He is a director of the Grainger Building Society.

★

Mr. Norman Irens has been appointed chairman of BRISTOL WATERWORKS COMPANY. He succeeds Mr. John H. Britton, who has been chairman since 1971 and who has been a director of the company and of the former West Gloucestershire Water Company since 1959. Mr. Irens joined the Board in 1967. Mr. Gilbert Parrott, a director since 1964, succeeds Mr. Irens as deputy chairman.

Commonwealth of Australia

Fifteen Year 6½% Bonds Due June 15, 1982

To the Holders of the above-described Bonds:

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Bonds of the above-described issue, Morgan Guaranty Trust Company of New York, as Sinking Fund Agent, has drawn by lot for redemption on June 15, 1976 at 100% of the principal amount thereof through operation of the Sinking Fund, $520,000 principal amount of said Bonds bearing the following numbers:

334	3877	5751	7291	8697	10110	11364	12910	14521	15417	16462	18036	18970	20323	21308	23144	23967
396	3910	6134	7329	8704	10116	11585	12968	14811	15418	16550	18041	19011	20423	21317	23157	23971
454	4075	6135	7361	8761	10216	11608	13025	14850	15495	16552	18098	19035	20460	21325	23181	24010
537	4093	6136	7432	8791	10232	11660	13026	14852	15523	16643	18158	19047	20534	21413	23185	24049
648	4205	6163	7488	8827	10336	11699	13028	14865	15534	16686	18194	19048	20576	21416	23191	24133
841	4289	6193	7570	8847	10343	11767	13060	14908	15548	16723	18197	19084	20584	21517	23225	24304
961	4307	6281	7621	8907	10377	11783	13203	14909	15550	16799	18215	19149	20627	21532	23246	24411
1045	4371	6289	7626	9011	10483	11951	13204	14943	15599	16826	18237	19160	20645	21544	23256	24477
1118	4409	6326	7674	9019	10460	12031	13419	14948	15667	16846	18244	19181	20672	21554	23267	24488
1538	4468	6327	7686	9098	10574	12032	13516	14964	15727	16878	18266	19280	20678	21572	23361	24505
1965	4511	6363	7700	9152	10583	12080	13533	14984	15782	16914	18315	19308	20743	21592	23386	24521
2005	4610	6469	7740	9167	10612	12093	13594	15003	15788	16981	18316	19314	20754	21670	23389	24529
2058	4673	6486	7769	9251	10696	12131	13613	15018	15802	17034	18389	19389	20845	21715	23426	24532
2343	4740	6531	7810	9298	10741	12159	13696	15063	15803	17073	18398	19410	20847	21751	23454	24570
2423	4747	6539	7833	9336	10742	12304	13756	15064	15808	17108	18449	19498	20858	21900	23465	24610
2529	4781	6575	7841	9367	10766	12320	13803	15099	15866	17109	18473	19559	20877	21916	23503	24616
2696	4814	6630	7869	9470	10810	12340	13823	15113	15867	17158	18503	19603	20896	21990	23524	24654
2658	4960	6655	7932	9492	10821	12424	13833	15136	15935	17241	18518	19653	20944	21992	23526	24675
2771	5054	6661	7977	9504	10859	12431	13860	15137	15956	17271	18537	19673	20964	22117	23578	24690
2794	5161	6736	8102	9544	10949	12480	13976	15163	16056	17402	18559	19748	20967	22148	23597	24719
2862	5226	6753	8103	9614	11201	12495	14130	15176	16063	17434	18618	19789	20984	22223	23602	24818
3060	5298	6793	8233	9660	11203	12537	14121	15183	16072	17495	18619	19792	21015	22229	23643	24916
3028	5357	6864	8280	9666	11215	12613	14263	15190	16117	17596	18668	19869	21059	22327	23654	24917
3167	5434	6897	8331	9756	11298	12675	14291	15192	16119	17597	18670	19871	21107	22328	23685	24990
3245	5483	6993	8341	9770	11302	12701	14321	15199	16174	17663	18696	19894	21117	22332	23724	
3282	5534	7021	8417	9841	11332	12739	14333	15215	16195	17684	18708	19959	21157	22860	23756	
3438	5568	7030	8443	9861	11411	12774	14375	15321	16265	17765	18738	19969	21179	22921	23759	
3459	5614	7100	8501	9899	11471	12794	14396	15343	16267	17777	18790	19975	21194	22931	23822	
3464	5623	7119	8556	9910	11529	12814	14434	15350	16360	17778	18936	20164	21216	22983	23834	
3617	5635	7147	8595	10049	11535	12823	14450	15374	16379	17806	18938	20256	21323	23058	23836	
3789	5715	7192	8607	10067	11563	12872	14512	15382	16414	17876	18959	20262	21259	23085	23961	

The Bonds bearing the numbers above specified will be redeemed and paid on and after June 15, 1976, at the principal amount thereof, upon presentation and surrender of such Bonds with all coupons maturing after said redemption date, at the option of the holder either (a) at the **Corporate Trust Office of Morgan Guaranty Trust Company of New York, 15 Broad Street, New York, N. Y.**, or (b) subject to applicable laws and regulations, at the main offices of Morgan Guaranty Trust Company of New York in Antwerp, Brussels, Düsseldorf, Frankfurt (Main), Munich, London or Paris, or the Reserve Bank of Australia in London, or Amsterdam-Rotterdam Bank N.V. in The Netherlands. Payments at the offices referred to in (b) above will be made by check drawn on a bank in New York City, or by a transfer to a United States dollar account maintained with a bank in New York City.

Coupons maturing on June 15, 1976 should be detached and presented for payment in the usual manner.

From and after such redemption date no interest shall accrue upon or in respect of any such Bonds called for redemption as aforesaid.

May 5, 1976

COMMONWEALTH OF AUSTRALIA

STOCK EXCHANGE BUSINESS IN APRIL

Turnover in short gilts down 25%

BY ALAN HILLS

HEAVY PRESSURE on sterling which forced a rise of 1½ points to 10½ per cent. in Minimum Lending Rate during the month after uncertainty about acceptance of the Government's new pay policy propopsals acted as restraining influences on Stock Exchange business last month.

Both the equity and gilt-edged sectors saw a contraction in trade partly accountable to April having three fewer trading days than March.

Business in all securities for the month amounted to £6.8bn., a fall of £1.3bn. from the March figure which continues the gradual decline from last January's all-time peak of £16.8bn. The monthly average for 1975 was £7.8bn.

Short-dated gilt-edged issues accounted for the bulk of the drop in April turnover, the figure for this sector being about £1bn., or 25 per cent. down on the month, at £2.9bn. The outcome was an overall reduction in turnover for gilts of £1.1bn. to £4.6bn., well below the record January figure of £13.7bn.

The number of bargains in gilts as a whole was 7,215 fewer, at 54,505, while those in the shorts were 2,365 less at 21,426.

The average value per bargain for shorts was down to £134,826 from £161,507 in March, but other gilts had an average value per bargain nearly £2,900 higher at £51,992.

The FT Government Securities turnover index declined further to 195.0 in April, representing about a third of the January level of 580.9 and comparing with the 1975 average of 237.2.

The FT Government stocks index ended the month 0.27 lower at 62.16 after having moved between a range of 63.30 and 60.81; the high point was established after the exceptionally good March trade figures and the ending of the strike at British Leyland while the low was sustained after the sudden rise in MLR.

After showing a small improvement in business during March, Ordinary shares had their turnover last month clipped by £0.2bn. to £1.3bn. the number of bargains contracted by 124,518 to 310,123 but the average value a bargain was up from £3,349 in March to £4,068 last month.

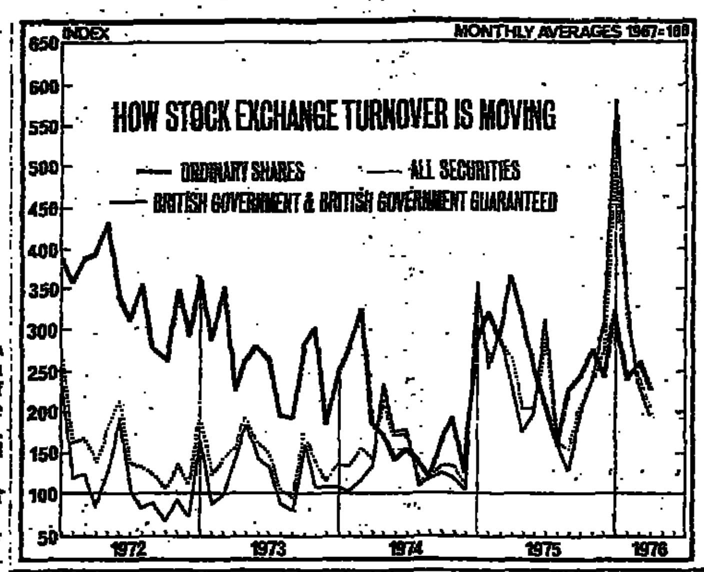
The FT turnover index for Ordinary shares lost 34.7 points to 225.1, the lowest since last December's 190.9 which compares with January's 321.0 and the average for 1975 of 260.9.

Equity prices had a much better month than gilts, responding more favourably to any good news in a thin market. Two optimistic business surveys, Mr. Callaghan's victory in the Labour leadership contest, and Mr. Healey's Budget proposals helped to reverse an easier start to the month, taking the FT 30-share index up to 411.8 against the end-March level of 402.4

There was then a four-day reaction to 393.2 on worries over the Government/TUC pay talks and sterling's weakness, but the highly encouraging March trade figures brought a subsequent rise to a 29-month peak of 419.6 on the 21st of the month.

Over the next two days there was a retreat to 401.0 on the MLR rise but, helped by a steadier pound and signs of a more flexible approach from the TUC on the Phase 2 pay talks, the 30-share index moved ahead to finish April a net 15.7 points up at 418.1.

From the end-March depressed level of 160.6, the FT Gold Mines Index sustained a fresh fall to 140.1 by April 5, the adverse South African Budget proposals having dealt a further blow to sentiment; this was the lowest for 32 months, but gold shares helped by the currency upheavals, staged a sharp rally in a short market to leave the index for the sector up 27.3 on the month at 187.9, after 192.0.



Category	Value of all purchases and sales £m	% of total	Number of bargains	% of total	Average value per day £m.	Average value per bargain £	Average no. of bargains per day
British Govt. and British Govt. Guaranteed:							
Short dated (having five years or less to run)	2,888.8	42.5	21,426	5.1	144.4	134,826	1,071
Others	1,719.8	25.3	33,079	8.1	86.0	51,992	1,654
Irish Govt.	430.9	6.3	2,813	0.6	21.5	153,171	141
U.K. Local Authority	373.9	5.6	6,590	1.5	18.7	56,739	329
Overseas Govt. Provincial and Municipal	12.8	0.2	1,358	0.4	0.6	9,417	68
Fixed Interest Stocks Pref and Prefd. Ordinary Shares	104.7	1.6	37,364	9.1	5.2	2,801	1,868
Ordinary Shares	1,261.7	18.5	310,123	75.2	63.1	4,068	15,506
TOTAL	6,792.6	100.0	412,753	100.0	339.6	*16,457	20,637

* Average of all securities.

Newspapers in contempt over wards of court

THE DAILY Telegraph and a local evening newspaper each committed a serious contempt of court in publishing an article about a 16-year-old ward of court, a High Court judge ruled yesterday.

Mr. Justice Tudor Evans said the contempt was not deliberate He refused an application by the Official Solicitor that Mr. William Deedes, editor of the Daily Telegraph, should be jailed or fined.

He also refused a similar application against Mr. Martin Davies, editor of the Slough Evening Mail.

The judge said that there was "an absolute prohibition" on the publication of anything concerning a ward of court without the permission of a judge.

The two newspapers were ordered to pay the costs of the two-day private hearing, estimated at £4,000.

Complex

Mr. Leon Brittan, for the Evening Mail, said publicity relating to wards of court was a "thorny and complex problem." The newspaper had done its best—a lawyer had been consulted before publication.

Mr. Charles Gray, for the Daily Telegraph, said that a costs order would be a stiff penalty for what was only a "want of care."

Mr. John Waite, for the Official Solicitor, said that the "art of journalists was to sail as close to the law of contempt as they dared." If they sailed too close they could not expect the wind to be tempered for them.

The judge said the alternative to making the costs order would be to make the public bear the expense.

Oslo honours Churchill

A BRONZE statue of Sir Winston Churchill will be unveiled in Oslo By King Olav on Saturday, the 31st anniversary of the Liberation of Norway.

The 9 ft. high statue was commissioned by a group of Norwegian war veterans and friends of Britain and made by Mr. Ivor Robert Jones, the sculptor of the Churchill statue in Parliament Square, London.

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Early losses regained: Index rises 3

BY OUR WALL STREET CORRESPONDENT

NEW YORK, May 4.

FURTHER EARLY losses were more than regained on Wall Street to-day, following an upward surge in the last hour encouraged by the improved bid price for Federal Funds.

After dipping a further 4.49 to 985.83, the Dow Jones Industrial Average rallied to 993.70, for a net rise of 3.38. The NYSE All Common Index regained 29 cents to $53.97, while rises led falls by 821-to-596. Trading volume expanded 2.06m. to 17.24m.

Another bullish factor was sectors, which encouraged buyers in "Glamors." Oils were helped, by rumours circulated in London that Saudi Arabia called for a one-year freeze on oil prices.

Initial softness was attributed mainly to worry about a tightening in U.S. monetary policy and its possible impact on interest rates.

Mr. James O'Leary, vice chairman of the United States Trust expected the bank prime interest rate to advance to 7¼-7¾ per cent. by the end of the year from the current 6½-6¾ per cent.

In active oils Exxon rose $1¾ to $95, while Atlantic Richfield gained $2¼ to $96¼ on its expectation that reveneues from petrochemical operations will top $2 by 1980.

Pittston advanced $2¾ to $42 in a generally higher Coal sector. Kenndcott put on $¾ to $33¾.

Cabot climbed $3¾ to $24 but Sprague Electric dropped $2¼ to $9½ on the termination of merger talks.

Canadian Southern Railway spurted ahead $10 to $60 before trading was halted.

White Consolidated Industries improved $2¾ to $23¾ following the proposed termination of the merger with White Motor. In addition, White Consolidated reported first quarter net earnings of 98 (73) ceents a share.

Singer climbed $1¾ to $19½ on analysts prediction of "excellent" years this year and next year.

IBM moved ahead $3 to $252½, Boeing $2 to $30¾, Xerox $2¼ to $51¾, Pittston $2¾ to $42, and Alcoa $1¾ to $51¾.

The American SE Market Value Index rose 0.16 to 101.97, but declines topper advances, 317 to 298. Turnover amounted to 1.95m. (1.76m.) shares.

TUESDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Texaco	332,500	27¾	−¼
RCA	211,000	25	−¼
Ramada	195,700	19¾	−1
Amer. Airlines	186,600	11¾	−¼
Gulf Sta. Ut.	161,600	13	−¼
Amer. Tel. Tel.	149,500	57¾	—
Boeing	149,100	30¾	+1¾
Western Air	148,400	10	−¼
Amer. Home Prod.	144,200	31	−¼
Pittston	144,000	42	+2¾

OTHER MARKETS

Canada firm

Canadian Stock Markets also turned firmer in moderate to active trading yesterday.

The Industrial Share Index put on 1.08 to 191.09, Base Metals 0.01 to 89.39. Western Oils 1.94 to 228.35 and Utilities 0.98 to 141.66. But Golds lost 0.67 to 297.67. Banks shed 0.23 to 244.11 and Papers eased 0.81 to 127.54.

Buying favoured Constructions, Oil Refinings and Pipelines.

Chrysler rose $½ to $19½ on "solid" year-to-year gains in Canadian car sales and a jump in late total vehicle sales in the U.S.

Hudson Bay Mining and Smelting shed $½ to $20½—it recently reported lower first quarter earnings.

PARIS—Generally lower in dull trading, with Monday's announcement of a 1 per cent. Retail Price rise in the Paris region in March (0.7 per cent. rise in February), the main depressant.

Banks, Investments, Foodstuffs, Motors, Rubbers, Engineerings, Stores and Electricals all lost ground, while Metals were slightly easier.

Oils and Chemicals were also lower

In the Foreign sector, Americans and Gold Mines were mixed, while Germans were slightly higher.

BRUSSELS—Lower over a broad front in moderately active trading.

Non-Ferrous Metals declined, Utilities and Electricals were lower. Chemicals lost ground. Oils eased. Steels finished irregular, while Holdings were steady.

Among Internationals, U.S. stocks gave ground. Dutch and French shares also declined, but Germans tended a little higher. South African Gold Mines fell back.

AMSTERDAM — Predominantly lower in slow trading.

But Banks rose. Insurances declined rather sharply, Nationale-Nederlanden down Fls.1.80 to 95.7. Transportations were steady to fractionally lower, while Dutch Industrials were mainly down. Bols Distilleries shed Fls.1.60.

Bonds were steady to Fls.0.10 off.

GERMANY—Gains of up to DM5 were recorded, with Electricals and Engineerings in the lead. Trading was stimulated by the more confident business tone at the Hanover Industrial Fair, higher orders for the Engineering Industry, and hopes of a further decline in unemployment, with April figures due to-day.

The Bundesbank decision to raise minimum reserve requirements, announced just as markets closed, was taken calmly.

Banks were all higher, Chemicals generally advanced, Motors were up, Machine Makers strengthened, Steels gained ground and Metals advanced.

On the Bond Market, Public Domestic issues eased slightly. Foreign Loans were mostly unchanged.

SWITZERLAND—Mainly easier in only selectively active turnover.

Major Banks drifted lower. Financial were resistant to slightly higher, while Insurances turned mixed. Leading Industrials also were irregular.

State Bonds were steady.

In a fairly active Foreign sector, Dollar stocks were slightly easier, Dutch Internationals barely steady, while Germans firmed.

VIENNA — Narrowly-mixed in quiet dealings.

MILAN—Moderately higher in more active trading.

Bonds were narrowly mixed in quiet dealings.

COPENHAGEN—Higher in fair dealings. Banks, Insurances, Communications, Commodities and Shippings were all higher.

OSLO—Banks and Shippings were slightly easier, Insurances little changed and Industrials quiet.

JOHANNESBURG—Golds eased during the day, but tended firmer towards the close on London buying. President Brand gained 50 cents to R19.50 and Libanon 25 cents to R675.

Financial Minings moved irregularly while Coppers were easier—Messina shed 5 cents to R3.80.

HONG KONG — Lower in light trading.

Hong Kong Bank were down 30 cents to $HK10.90, Hong Kong Land 5 cents to 7.65, Hutchison 7½ cents to 2.875, Wheelock "A" 2½ cents to 2.65, Jardine 50 cents to 22.40, and Swire Pacific "A" 10 cents to 9.40.

TOKYO—Market fell on liquidations, with investors generally taking a waiting attitude in view of local holidays this week. Volume 190m. shares.

Electricals and Motors eased, as did non-Ferrous Metals, Real Estates and some Machinery shares.

Kyoto Ceramic fell Y110 to 4,490, TDK Electronics Y50 to 1,680 Marudai Food Y40 to 1,120, and Wacoal Y20 to 1,210.

Oil related shares were generally weak on reports that Teikoku Oil, off Y8 at 358, had failed to hit oil and natural gas deposits in its first exploratory drilling in the East China Sea off the coast of Okinawa.

Nippon Oil lost Y9 to 372.

AUSTRALIA—Generally lower in dull trading. The shortage of money in the system prevented traders moving in behind good news like the 4 per cent. upturn in retail trade in March.

Retailers closed firm for the most part. Weaker groups included Banks, Financiers and Motors.

A reasonable outcome of the coal pricing negotiations between the exporters and the Japanese steel mills saw interest in coal stocks reasonably well maintained. Coal and Allied were up 10 cents to $A2.50 and Thiess 5 cents to $A2.40.

Utah eased 2 cents to $A3.83.

Among Mines, Pancontinental fell 20 cents to $A9.50, MIM 6 cents to $A2.57 and Queensland Mines 5 cents to $A2.25.

Pound recovers

Sterling recovered in the foreign exchange market yesterday, after falling quite sharply in the morning, and a steadier trend was seen throughout most of the day. Concern about support from individual unions for any agreement on pay which may be reached by the Government and the TUC pushed the puond lower in early dealings, following the news on Monday that South Wales miners intend to push for pay increases of up to 33 per cent.

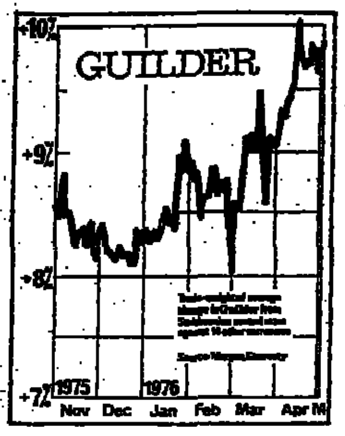
The pound opened at $1.8270-$1.8280 against the U.S. dollar and fell to a low point of $1.8140-$1.8150, but improved fairly steadily in the afternoon to close at $1.8270-1.8280, a fall of 10 points on the day. Publication of the official reserve figures had little effect on sterling and there was no indication of support from the authorities during the day. The Bank of England's calculation of the pound's trade-weighted depreciation since December 1971, was unchanged at 37.5 per cent., after widening to 37.8 per cent. at noon.

The Italian lira lost ground on uncertainty ahead of the forthcoming general election in Italy, closing at L917 in terms of the dollar compared with L902 previously.

Fears about the future of sterling and the lira were again reflected in the upward movement of the Swiss franc. It improved to SwFrs.2.4982½ from SwFrs.2.5015, and further purchases of dollars were reported by the Swiss central bank, to try to slow the Swiss franc's advance.

The French franc was weaker however, closing at FrFrs. 4.67 against the dollar, compared with FrFrs.4.6595. The dollar's trade-weighted average depreciation since December 1971, as calculated by Morgan Guaranty of New York, narrowed to 1.65 per cent. from 1.75 per cent.

Gold lost $¼ to finish at $127½-$128½. The krugerrand's premium over its gold content widened to 3.32 per cent. for domestic delivery, but was unchanged in the international market.



SPECIAL DRAWING RIGHT RATES

One SDR is... equal to	May 4	May 3
Sterling	0.632036	0.624110
U.S. dollar	1.14989	1.15148
Belgian franc	44.5621	44.5887
Deutsche mark	2.91085	2.91540
French franc	5.38068	5.36072
Italian lira	1048.73	1039.67
Japanese yen	343.832	—
Dutch guilder	3.08657	30.8984
Swedish krone	5.03796	—
Swiss franc	2.87072	2.88235

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

EXCHANGE CROSS-RATES

May 4	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Frankfu't	—	2.5340-45	54.25-30	6.55-54	4.60-61	94.30-38	101.37-42
N. York	39.46-47	—	21.42-44	2.5776-560	1.8355-8345	37.26-27	40.04-06
Paris	184.01-41	4.6827-52		12.03-055	8.473-488	175.60-05	186.65-05
Brussels	15.29-32	38.74-77	8.30-32	—	70.50-64	14.43-46	15.60-53
London	4.62¼-65¼	1.827-828	8.53-54	70.85-71.06	—	4.90¼-91¼	4.56¼-57¼
Am'rd'm	1.6.005-055	2.6927-52	57.515-565	6.9285-9315	4.8235-85	—	107.48-53
Zurich	98 61-70	2.4985-95	53.53-58	6.44¼-46¼	4.5625-75	93.05-15	—

U.S. $ in Montreal. U.S. $ = 98.12-14 Canadian cents.
Canadian $ in New York. C$=101.92-94 U.S. cents. U.S. $ in Milan 915.0-917.0. sterling in Milan 1660.25-1664.75.

EURO-CURRENCY INTEREST RATES*

May 4 1976	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W. German mark	Swiss franc
†Short term	12¼-12¾	4¾-5¼	7¼-8¼	4¼-4½	3⅜-3⅝	1¼-1¼
7 days notice	11½-12	4⅞-5⅛	8-9	4¼-4½	3⅜-3⅝	1¼-1¼
Month	11⅛-11⅝	5⅛-5⅜	9¼-9½	5-5½	3⅜-3½	1⅛-1¼
Three months	11-11⅝	5½-6	9⅛-9¾	5-5½	3½-3⅝	1⅞-1⅞
Six months	11½-11⅞	6-6½	9½-9¾	4⅛-4⅝	3½-3⅞	1⅞-2
One year	11⅞-12¼	6¾-7¼	9½-9¾	4½-5	4⅝-4⅞	2⅝-2¾

Euro-French deposit rate: two-day 7¼-7½ per cent.; seven-day 7¼-7½ per cent.; one-month 9¼-9¾ per cent.; three-month 10-10½ per cent.; six-month 10⅝-10⅞ per cent.; one-year 10½-10¾ per cent.

Longer-term Eurodollar deposits: two years 7½-7¾ per cent.; three years 7¾-8¼ per cent.; four years 8¼-8½ per cent.; five years 8¼-8½ per cent.

The following nominal rates were quoted for London dollar certificates on deposit: one month 5¼-5⅜ per cent.; three months 5[7/16]-5[9/16] per cent.; six month 5¾-6 per cent.; one year 6¼-6½ per cent.

* Rates are nominal closing rates.
† Short-term rates are call for sterling, U.S. dollars and Canadian dollars, two-days' notice for guilders and Swiss francs.

GOLD MARKET

	May 4	May 3
Gold Bullion (a fine ounce)		
Close	$127½-128½	$128-129
Opening	$128-128¾	$128¼-129¼
Morning fix'g	$128.25 (£70.383)	$128.25 (£69.463)
Afternoon fix'g	$127.75 (£70.000)	$128.35 (£69.720)
Gold Coins domestic'ly		
Krugerrand	$131¼-133¼ (£72-73)	$130¾-132¾ (£71½-72½)
New Sov'r'gns	$45½-47½ (£25-26)	$45½-47½ (£25-26)
Old Sov'r'gns	$44¼-46¼ (£24¼-25¼)	$44¼-46¼ (£24¼-25¼)
Gold Coins internat'ly		
Krugerrand	$131-133 (£71¾-72¾)	$131½-133½ (£72-73)
New Sov'r'gns	$45½-47½ (£25-26)	$46-48 (£25¼-26¼)
Old Sov'r'gns	$41-43 (£22½-23½)	$41½-43½ (£22¾-23¾)
$20 Eagles	$215-218	$215½-218½
$10 Eagles	$110½-113½	$111-114
$5 Eagles	$78-81	$78½-81½

FOREIGN EXCHANGES

May 4 1976	Bank Rates %	Day's Spread	Close
New York	5½	1.8140-1.8315	1.8270-1.8280
Montreal	8½	1.7821-1.7955	1.7945-1.7955
Amsterdam	4	4.87-4.93	4.90½-4.91½
Brussels	7	70.30-71.10	70.85-71.05
Copenh'gen	8½	10.90-11.02	10.99¼-11.00¼
Frankfurt	3½	4.59-4.65	4.62½-4.63½
Lisbon	6½	53.75-54.70	54.45-54.65

Indices

NEW YORK—DOW JONES

	May 4	May 3	April 30	April 29	April 28	April 27	1976 High	1976 Low	Since compilat'n High	Since compilat'n Low
Industrials	993.70	990.32	996.85	1002.13	1000.71	993.51	1,011.02 (21/4)	858.71 (2/1)	1051.70 (11/1/73)	41.22 (2/7/32)
Home Bonds	72.74	72.88	75.06	75.15	75.35	75.54	75.60 (22/4)	69.11 (2/1)	—	—
Transport	212.02	210.45	212.77	212.65	211.59	210.52	216.48 (22/4)	175.69 (2/1)	279.88 (7/2/69)	13.23 (8/7/32)
Utilities	87.58	87.62	87.74	87.68	87.66	87.83	91.90 (4/2)	84.84 (2/1)	165.32 (20/4/69)	10.58 (28/4/42)
Trading vol. 000's	17,240	15,190	14,530	17,740	15,790	17,760	—	—	—	—

	April 30	April 23	April 16	Year ago (approx.)
Ind. div. yield %	3.70	3.69	3.76	4.55

STANDARD AND POORS

	May 4	May 3	April 30	April 29	April 28	April 27	1976 High	1976 Low	Since compilat'n High	Since compilat'n Low
‡Industrials	114.11	113.45	114.28	114.85	114.89	114.58	118.57 (24/3)	101.64 (2/1)	134.64 (11/1/73)	3.52 (30/6/32)
†Composite	101.46	100.92	101.64	102.15	102.13	101.86	105.51 (5/4)	90.90 (2/1)	120.24 (11/1/73)	4.40 (1/6/32)

	April 28	April 21	April 14	Year ago (approx.)
Ind. div. yield %	3.33	3.28	3.76	3.85
Ind. P/E Ratio	13.83	14.00	—	9.89
Long Gov. Bond yield	5.58	5.49	—	6.23

N.Y. S.E. ALL COMMON

May 3	April 30	April 29	April 28	1976 High	1976 Low
55.68	54.11	54.54	54.55	55.20 (24/4/76)	37.06 (2/1/76)

Rises and Falls May 4

Issues Traded	1,873	Up	821
Down	596	Same	456
New Highs	41	New Lows	24

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £—123% (121½%)

NEW YORK

CANADA

GERMANY

MILAN

BRUSSELS/LUXEMBOURG

PARIS

SWITZERLAND

AMSTERDAM

COPENHAGEN

VIENNA

AUSTRALIA

JOHANNESBURG

TOKYO

STOCKHOLM

OSLO

SPAIN

FARMING AND RAW MATERIALS

New Covent Garden debt relief sought

LONDON'S NEW £42m. Covent Garden market at Nine Elms, is so burdened with interest charges that the controlling Authority is seeking to have some of the £32m. loan debt written off. Sir Samuel Goldman, the new chairman, said yesterday.

The Authority's annual report—covering nine months of the year at the flower, fruit and vegetable market—shows that it ended with a net surplus of £1.7m., but this was entirely from the sale of properties in the old market.

Apart from this, after providing for interest on loans and depreciation, the accounts show a loss of £3.9m. Interest payments to the Ministry of Agriculture amounted to £3.3m. and depreciation, £618,000.

Because of serious financial problems arising from the loan charges, "serious doubts exist whether the Authority will be able to meet its statutory obligation to break even on revenue account, taking one year with another," said Sir Samuel.

"Discussions with the Ministry of Agriculture are proceeding on ways of dealing with the situation arising from developments almost entirely beyond the Authority's control," he said.

The most important cause of the financial difficulties, says the report, was the three-year delay in starting construction of the new market. This meant that buildings started in 1971 had coincided with the most rapid increase in costs ever experienced by the British construction industry.

Potato stocks diminishing

By Peter Bullen

WITH POTATO stocks rapidly diminishing, the Potato Marketing Board said in its weekly report yesterday that prices were higher than a week ago but below the peaks reached in the past seven days.

It puts the range of retail prices for old potatoes at 14p to 19p a lb, up 1p on a week ago, but points out that demand is being largely met from increasing quantities of imported new potatoes.

It estimates that Britain has only 50,000 tons of old potatoes left.

With lifting of home grown earlies not expected in quantity for another four weeks, the 50,000 tons stocks are inadequate. However, imports of new potatoes from Cyprus and other countries are building up and should bridge the gap between the end of the British main crop and the start of the earlies.

India sues five U.S. grain companies for $215m.

BY DAVID BELL

WASHINGTON, May 4.

THE INDIAN Government has sued five major American grain companies, charging them with fraud in grain shipments over the past 15 years and claiming $215m. in damages.

The Indian suit—the first civil action to follow two years of wide ranging Federal investigation of grain fraud—was filed yesterday afternoon in five identical complaints in a court in New York State. The companies named are some of the largest grain companies in the world — Cargill, Continental Grain, Cook Industries, Louis Dreyfus and Peavey.

In the complaints, the Indian Government charges that "grain shipments delivered by the defendants to the plaintiff were not the same in grade, kind, quality, weight, size, quantity or description as called for in the pertinent contracts." Instead, the charge continues, "they were inferior and of lesser value than the grain specified in the contracts in that they were short weight, or lower grade and quality, and were infected or contaminated."

The suit seeks damages of $75m. from Cargill and Continental, $35.5m. from Cook Industries, $26.25m. from Dreyfus and about $3.5m. from Peavey. About one third of these totals represent punitive damages claims.

A major Federal investigation of grain fraud began in New Orleans two years ago following complaints from a number of foreign purchasers about the quality and weight of grain they were receiving.

Interpol meeting

Sixty-five indictments have resulted so far, including charges of conspiracy in systematic thefts of grain against three large companies, none of which were named in yesterday's suit. Other charges against individuals have included bribery, misgrading of grain and tax fraud.

In February, there were reports that U.S. investigators had told a secret Interpol meeting in Paris last November that U.S. grain exporters had defrauded foreign customers of about $120m. a year for the past five years. The countries concerned were not named, but there is intense interest here in the possibility that some grain shipments to the Soviet Union may have been involved, as well as those to other countries.

The Senate and the House of Representatives have both approved Bills to tighten up grain inspection procedures. But President Ford has threatened to veto the Senate Bill, which is designed to put almost all inspection under the aegis of the Federal Government and take it out of the hands of local inspectors.

● U.S. grain exporter, Louis Dreyfus, sold 625,000 tonnes of grain to the Soviet Union, a spokesman for the New York based company told Reuter.

The sale, the first made by the company to the USSR since October last, consisted of 500,000 tonnes of maize and 125,000 of wheat.

The maize sale will consist of 300,000 tonnes of 1975-crop for shipment by September 30 and 200,000 of 1976-crop for shipment after October 1. The wheat will consist of 1976-crop supplies, also for shipment after October 1.

More feed price rises forecast

BY PETER BULLEN

FEED PRICES rose by £5 to £8 a ton last month, and there may be more increases in the pipeline, Mr. M. G. Heron, feed director of BOCM Silcock, warned yesterday.

"These increases are very significantly influenced by the currency position in this country," he said at the Dairy Herdsman of the Year presentations at Knaptoft, Leicestershire.

The EEC skimmed milk powder debacle affected the increases directly and indirectly. But the instability of sterling affected every business in the country and the solution to its improvement was everyone's responsibility. No one could argue, however, that dairy farmers had not made their contribution by increasing productivity.

U.K. milk producers should expand output even further, urged Sir Henry Plumb, National Farmers' Union president. "With the exception of sugar it is in the dairy sector that the greatest net food savings in our balance of payments can be made. Three years ago, it cost £160m. to import 350,000 tons of butter. In the year ended last February, it cost £370m. for 480,000 tons—an increase of £310 a ton," he said.

To suggest that expanding the U.K. dairy industry was incompatible with the EEC's Common Agricultural Policy was nonsense. It was precisely in keeping with basic Community philosophy to encourage output where the total environment was most favourable.

Sir Henry also rejected firmly any suggestion that British marketing boards, particularly the Milk Marketing Board, should have to yield any of their powers to suit the Community. "We intend to keep our Milk Board. It is indispensable, not only to our dairy industry, but to the whole of British agriculture. Indeed, we intend to fight strongly for all our boards."

The great lesson which the MMB offered to western Europe was effective marketing and promotion. Better promotion throughout the EEC could alleviate present problems of surplus foods.

"If producers are to participate financially in restoring market equilibrium, it becomes an absurdity to say almost in the same breath that the boards will have to change their constitutions and abolish the compulsion principle.

"We must positively reject the assertion that this principle is legally incompatible with the Rome Treaty. Should this be so, then it is the Rome Treaty which is wrong, not the principle.

"How can we possibly achieve better discipline in our marketing if we are required by dogma to undermine the very instruments with essential powers which, were they to be extended through the Community, would enable us to bring this about?"

Australian wheat area

MELBOURNE, May 4.

EARLY PLANTING intentions suggested that there would be a small increase in the Australian wheat area in the 1976-77 season, an Australian Wheat Board spokesman said here.

Farmers intended planting 9.2m. hectares, against 8.8m. for 1975-76 and intentions of 9m. at this time last year. The average for plantings in the last three seasons was 8.7m. hectares.

Coffee and cocoa prices higher

By Richard Mooney

COCOA AND coffee values on the London terminal markets rose again yesterday, July cocoa gaining £19, to £1,025.5 a tonne, and July coffee £23, to £1,329 a tonne.

The higher opening in the cocoa market was generally attributed to the continuing weakness of sterling, but signs of growing demand for current crop physical cocoa encouraged a further increase.

The firm opening in New York pushed the London rise to the £20 limit and though some profit-taking was seen after trading resumed, the closing tone was firm. Dealers noted that the market seemed less speculatively based, with significant trade interest in evidence for the forward months.

Coffee prices traded lower for most of the day, in line with the New York overnight tone, but when New York opened much stronger yesterday, London prices climbed rapidly.

It had been suggested that last night's fall in New York was due to rumours of a coming reduction in Brazilian export prices and that to-day's recovery resulted from news that only domestic retail prices were affected. Whether or not this was the case, yesterday's rise is generally regarded as an indication of the continuing volatility of the coffee market.

U.K. zinc smelting to resume

COMMONWEALTH SMELTING was phasing-in parts of its Avonmouth zinc smelter in preparation for re-starting production at the end of this month, said a spokesman for the parent company, AM and S Europe, reports Reuter.

Over the last two months the smelter's workforce had been carrying out a regular repair and maintenance programme. This was delayed and protracted by an 18-week strike by about 600 members of the Transport and General Workers Union, who returned to work on March 3.

The plant is the only zinc smelter in the U.K.

Our Commodities Staff writes: On the London Metal Exchange, zinc prices fell sharply, cash and three months metal closing £8.75 lower, at £428.75 and £443.75 a tonne respectively. In after hours dealings the three months price fell another £9.75, to £434 a tonne

COMMODITY AGREEMENTS

Copper buffer stock could cost $5bn.

BY JOHN EDWARDS, COMMODITIES EDITOR

THE COST of a world copper buffer stock, as proposed under the integrated commodities programme to be discussed at the UN Commodities Trade and Development Conference meeting opening in Nairobi to-day could be as high as $5bn.—well above UNCTAD's estimate of $1bn.—according to a study* just published by the Commodities Research Unit in London.

But the study argues that financing problems could be considerably reduced by any copper stabilisation authority formed electing to support the forward (three months) quotation on the London Metal Exchange and by ensuring that a contango (premium of the forward price over the cash quotation) provided financial institutions with the incentive to buy up any surplus spot supplies.

The study acknowledges that the use of "lending" (buying forward and selling spot) to reduce the cost of buffer stock operations has been advocated by Mr. Philip Jevons, deputy chairman of Rudolf Wolff, a leading LME dealer.

It is pointed out that any buffer stock would be able to borrow up to three times its contribution on the security of its warehouse warrants, judging by the experience of the Tin Council. Nevertheless in relation to the much bigger copper market, this would involve a sum far in excess of the amounts available through normal financial sources.

But it is argued that, if the policy of buying forward and selling cash was adopted there would be only a small annual operating cost, although guarantees for a mhuch larger sum would be needed to protect the buffer stock against speculative "bear" raids.

It is suggested that these guarantees should be provided by consumer countries, since producers would have difficulty in raising sums of this order, and as as result export quota provisions could be included in the agreement as a reserve instrument to protect the consumer guarantees.

Reserve weapon

The study says there is a strong argument that any copper agreement should be an "almost" pure buffer stock arrangement, with export controls only kept as a reserve weapon in times of exceptionally severe excess supply.

In this way it would differ from the Tin Agreement, where the buffer stock had tended to be subordinated to export controls, as a result of the dominant role of the U.S. strategic stockpile in the tin market since 1960. In practice, the stabilisation of tin prices had been shared between the Tin Council stabilising prices at the bottom level and the U.S. stockpile at the top of the demand cycle.

In the case of copper, it is suggested that if the agreement is successfully operated, the guarantees provided by consumer countries need never be invoked. They would thus form a relatively costless means by which developed countries might provide assistance to less developed nations.

The study claims that price indexation of the support levels would be naturally complementary to any forward support buying operations.

If consumers were to guarantee a forward support operation for copper then they would have to be happy about the support price levels, in particular to ensure that the so-called stabilisation would not lead to a level of stocks that tended to increase. On the other hand, producers would want to see some automatic procedure for updating support levels.

Inflation on a world basis had increased considerably and exchange rate movements could bring sharp and sudden changes in the purchasing power of support prices denominated in terms of a fluctuating currency.

The study suggests, therefore, that the indexation basis to be used could be the wholesale price index of an appropriate currency (of a country whose prices fairly represented those in international trade) adjusted for the appreciation or depreciation of that currency against a basket of world currencies, plus an allowance for the real rate of interest.

A good rule for the copper stabilisation authority would be to raise the support level in any given quarter by the short period interest rate prevailing in that quarter.

If this rule is followed, in the absence of speculative raids, a forward support operation could become completely costless, with the authority selling spot supplies at the same price as it previously had bought forward.

** Postwar tin agreement and its implications for Copper by Christopher Gilbert; available from Commodities Research Unit, London. $10.*

Bolivia sets out tin pact terms

BY DAVID WHITE

LA PAZ, May 4.

BOLIVIA WILL not ratify the new International Tin Agreement unless a more flexible price system is set up, senior Government officials here declared. They warned that in the absence of an agreement Bolivia would promote a producers' cartel.

The Bolivians signed the fifth international agreement just within the April 30 deadline, but made it clear that its participation was conditional. They have until the end of June, when the pact is due to become effective, to ratify it.

A Bolivian Government mission, headed by Sr Carlos Iturralde Ballivian, a private mine operator and Ministerial adviser, has arrived in London to discuss alterations in the price system, which the Bolivians see as prejudicial to their tin industry in view of sharply increased production costs.

Bolivia wants the present buffer stock of around 15,000 tons—due to be liquidated before a new pact comes into force—transferred to the new agreement. It will be the first time a new agreement has been negotiated while buffer stocks were over 10,000 tons.

● Reuter reports that to-morrow's special meeting of the International Tin Council is expected to agree to relax export controls and raise operating prices of the ITC buffer stock.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Moved erratically on the London Metal Exchange reflecting sterling fluctuations. Forward metal opened at £855 in pre-market dealings but immediately fell to £844 on selling, prompted by the overnight weakness of the metal in the U.S. It then recovered to £853 following the fresh decline of sterling coupled with modest trade interest at the lower levels. In the afternoon prices continued to move erratically owing to speculative interest with forward material ending at £847 on the kerb. Turnover 21,400 tonnes.

Amalgamated Metal Trading reported that in the morning cash wirebars were untraded; three months, £845, 46, 45, 45.5, 46, 46.5, 47, 46.5, 46, 46.5, 47, 48, 50, 51, 51.5, 52, 52.5. Cathodes, cash, £820, three months, £847, 48.5. Kerb: Bars, cash £826.5, 26, three months £853, 54, 53.5, 53, 52. Afternoon: Wirebars, three months, £852, 53, 54, 55, 54.5, 55, 56, 55.5, 55, 54, [illegible]

[illegible]

sales, again thought to have been on buffer stock account, left the price at £4,050 on the kerb. Turnover 2,355 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	3930-5	+57.5	3950-5	+45
3 months	4038-42	+52.5	4065-70	+42.5
Settlem't	3935	+55	—	......
Standard				
Cash	3930-5	+67.5	3950-5	+45
3 months	4033-5	+51.5	4060-5	+42.5

[illegible]

long d.w.t. for a voyage from N. Spain to Persian Gulf at $3,225 daily May and a vessel of 20,153 long d.w.t. for three months trading, including Great Lakes, at $3,000 daily, including overtime delivery U.K./Gibraltar/Hamburg end May.

COCOA

Values advanced sharply higher. New buying and short covering was influenced by sterling weakness. Prices closed with gains of £20 on the day, reports Gill and [illegible]

[illegible]

69.10, Nov. 71.20, Jan. 73.20, March 75.20. Business: May 72.75 only, Sept. 69.15-69.00, Nov. 71.40-71.20, Jan. 73.30-73.30, March 75.15-75.10. Sales 168.

HGCA—Location ex-farm spot prices: Feed wheat—Humberside £74.20. Feed barley—Gloucester £72.20, Humberside £72.50.

EEC DAILY IMPORT LEVIES and premiums effective May 5 (in order current levy plus June, July and September premiums, with previous in brackets). Rates in units of account per tonne: [illegible]

Hoggets: English 36.0 to 45.0; Scottish 36.0 to 48.0.

Ewes: 18.0 to 20.0.

Pork: English, under 100 lbs 32.0 to 35.5, 100-120 lbs 32.0 to 35.5, 120-160 lbs 31.0 to 34.0, 160-180 lbs 29.0 to 33.0, 180 lbs and over 28.0 to 31.0.

MEAT COMMISSION—Average fatstock prices at representative markets on May 4: GB—Cattle £26.61 per live cwt (+0.41); U.K.—Sheep 36.1p per pound e.d.c.w. (+1.1); GB—Pigs £4.78 per sc.l.w. (+0.11). England and Wales—Cattle numbers [illegible]

[illegible]

Mushrooms—Per pound 0.25-0.30. Swedes—Per 28 lbs Devon 1.00-1.20. Cucumbers—Per box 10.18 1.00-1.50. Pre-pack 12s/14s 1.30-1.50. Tomatoes—Per box 12 lbs 2.80-3.80. Lettuce—Per 12, round 1.10-1.20.

*

COTTON—Liverpool. Spot and shipment sales amounted to 503 tonnes, bringing the total for the week so far to 1,948 tonnes. Further pressure for supplies was encountered, with S. American and E. African growth attracting most attention. F. W. Tattersall reports.

*

COPRA—Philippines: May $211 paid per tonne c.i.f. North European ports.

Wool auctions resume on strong note

MELBOURNE, May 4.

THERE WAS strong demand for wool in Melbourne, Brisbane and Fremantle to-day in the first sales since industrial troubles brought auctions to a halt in March.

The Australian Wool Corporation (AWC) said prices for micron 21 reached 278 cents, the highest since introduction of the minimum reserve price—currently at 250 cents.

Strong demand had been expected by the local trade following interruption of the flow of Australian wool to the world trade caused by the two-month wool handlers dispute.

According to official reports, a total of around 48,300 bales were offered at the auctions with trade purchases accounting for about 99 per cent.

Reuter

PRICE CHANGES

Prices per ton unless otherwise stated.

	May 4 1976	+ or —	Month ago
Metals			
Aluminium (u)	£456	....	£420
Free Market (cif)	£460-470	....	£410-420
Copper			
Cash Wire Bars (u)	£827	-9.5	£747.5
3 months do. do. (u)	£854	-8.5	£769.25
Cash Cathode (u)	£820.5	-9.5	£739.75
3 months do. do. (u)	£846.5	-9.5	£760.75
Gold......Troy oz.	$128.5	....	$127.5
Lead Cash (u)	£257.5	-4.0	£215.75
3 months (u)	£267.5	-4.0	£223.87
Nickel (u)	£2,552.5	....	£2,450
Free Market (cif) (lb)	$2.05 .2	-0.025	$2.08-.25
Platinum (h) troy oz.	£86-91	....	£81.5-87
Free Market	£85.1	-1.2	£78.6
Quicksilver (76lb)	$90 95	....	$100-105
Silver Troy oz.	240.7p	+0.6	218.5p
3 months	247.4p	+0.5	223.4p
Tin Cash (u)	£3,952.5	+45.0	£3,802.5
3 months (u)	£4,067.5	+4.25	£3,822.5
Wolfram 22.04lb. cif	$58½-60	....	$51-52.5
Zinc Cash (u)	£428.75	-8.75	£406.5
3 months (u)	£443.75	-8.75	£419
Producers	$790	....	$795
Oils			
Coconut Malayan		....	
Groundnut			
¢	£389	-5.0	£411
Linseed Crude (u)	£395	....	£382
Palm Malayan (u)	£192	....	
Soyabean (u)		....	
Seeds			
Copra Philipp ton	$211	....	$210
Gr'nuts Nigerian		....	
Linseed Can No. 1	£164	....	£164
Grains			
Barley EEC	£73.6	-0.75	
Home Futures	£72.4	....	£69.95
Maize			
French No. 6 Am.	£74.5	....	£71.75
S.A. Yellow		....	£75
Wheat			
No. 1 Red Spring		....	
No. 2 Hard Winter		....	
Australian (f.a.q.)		....	
English Milling	£78.5	....	£73
Cocoa shipment (u)	£1042	....	£851
futures July	£1025.5	+19.0	£817.75
Coffee shipment (c)			
futures July (u)	£1329	+23.0	£1,100
Cotton 'A' Index cent.	68.35	+0.05	65.75
Jute LJ ABWC (d)	£216	....	£202
Rubber kilo	45p*	-1.0	43p
Sisal EA 3L (u)	$600	....	$600
Sugar (Raw)	£187	+4.0	£179
Woolltops 64s kilo	252p	....	238p
Cloves Madagascar	£3,000	....	£2,900
Pepper White...ton	£1,090	....	£1,020
Black...ton	£685	....	£845

* Nominal. · Seller. ‡ Unquoted. § Unofficial close. ♣ Indicative price. a Seller's quotation. h U.K. and Commonwealth refined. c Uganda Robusta standard grade indicative prices f.o.b. Mombasa U.S. cents a pound. d Bangladesh white "C." k Jan.-March. r Sept. u Metric tons.

FINANCIAL TIMES

May 4	May 3	Month ago	Year ago
209.56	208.98	199.76	159.40

(Base: July 1, 1952=100)

REUTER'S

May 4	May 3	Month ago	Year ago
1419.7	1412.4	1330.5	1063.1

(Base: September 18, 1931=100)

DOW JONES

Dow Jones	May 4	May 3	Month ago	Year ago
Spot	331.12	330.76	313.50	277.18
Futures	318.60	319.05	305.79	287.22

(Average 1924-25-26=100)

MOODY'S

Moody's	May 4	May 3	Month ago	Year ago
Spie Commty	815.1	809.0	788.6	722.1

(December 31, 1931=100)

GRIMSBY FISH—Supply poor, demand good. Prices at ship's side (unprocessed) per stone: Shell cod £2.30-£2.50. Codlings £2.00-£2.40. Large shelf haddock £2.70-£2.80. Medium £2.20-£2.50. Small £1.90-£2.20. Large plaice £2.50. Medium £2.60. Best small [illegible]. Large £3.90. Lemon soles £4.10-£4.80. Rock fish £1.50-£1.80. Reds £1.10. Saithe £1.10-£1.30.

U.S. Markets

NEW YORK, May 4.

Cocoa—Ghana spot 93½ nom. (91½). Bahia spot 90½ nom. (88½). May 85.90 (83.10), July 81.15 (79.15), Sept. 76.60, Dec. 70.30, March 66.00, May 66.10, July 64.40, Sept. 62.90. Sales: 1,413.

Coffee—"C" Contract: May 126.55 (124.10), July 124.26-124.60 (122.50), Sept. 123.25-123.55, Dec. 119.50-119.70, March [illegible]

[illegible]

JUTE

LONDON—Steady. Bangladesh White C grade May-June [illegible] D grade [illegible] a long ton.

CALCUTTA—Steady. [illegible] Rs.505.00, [illegible]

DUNDEE—[illegible]

HIDES—Manchester. [illegible]

ART GALLERIES

[illegible]

STOCK EXCHANGE REPORT

Better trend on rally in £ and optimistic CBI survey

Share index 1.6 up at fresh peak for the year of 420.8

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Apr. 20	Apr. 29	Apr. 30	May 11
May 3	May 13	May 14	May 25
May 17	May 27	May 28	Jun. 9

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

A late rally in sterling set the seal for a sympathetic improvement in British Funds and Equities yesterday.

Early losses in British Funds were replaced by rises of ⅛ at the short end of the market, while the later maturities finished marginally easier on balance. The Government Securities Index was barely altered at the close with a minor loss (0.02) at 62.10. The rally in the equity leaders was well illustrated by the FT 30-share index, which touched its lowest of the day at 1 p.m. with a fall of 2 points before closing 1.6 higher on balance at a fresh peak for the year of 420.8. Initial selling was very light and the better trend which continued into the "after-hours" dealings was also helped by the CBI's optimistic quarterly survey on British Industry. The sharp fall in the April gold and dollar reserves appeared to have been discounted. Once again, market conditions were extremely thin.

Overall, equities presented a rather mixed appearance; falls had the edge over rises by 5-4 in FT-quoted Industrials, while the All-Share index eased 0.7 per cent. to 170.48. There were still a few bright spots, mainly in response to company trading statements and there was a further increase in activity as measured by official markings of 6,485 compared with 5,754 on Monday and 5,374 a week ago.

Gilts fluctuate

British Funds inevitably reacted to the fresh early downturn in sterling and losses ranging to ½ were evident throughout the list. The subsequent rally in the pound, however, coupled with the CBI optimism and last month's official reserves which, although sharply lower, could have been worse, initiated a recovery. This culminated with selected shorts, such as the "tap," Treasury 9¾ per cent., 1981, up ⅛ on the day at 94¾; other gains rarely exceeded ⅛ and there were isolated small falls. Most medium and longer-dated issues were unchanged on balance with the exception of some high-coupon stocks, which showed losses of ⅛. The fall in the Local Authority yearling rate raised renewed hope of a reduction soon in Minimum Lending Rate.

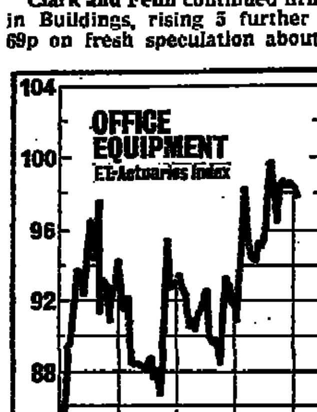
With sterling again the dominating influence and thus generally inhibiting sellers, the investment currency premium rose to 127¼ per cent., its highest rate ever at the $2.60 parity, before reacting later to close a net 3¼ points up at 125 per cent. Yesterday's SE conversion factor was 0.6287.

After Monday's improvement, Home Banks reacted in quieter trading but subsequently picked up to finish virtually unaltered on the day, as in Barclays, 300p, after 295p, and Midland, 290p, after 285p. Australia and New Zealand Bank, a strong market of late on the change of domicile move, closed 10 higher at 463p, but Standard Chartered receded 5 to 418p. Bank of Ireland, 330p, gave up Monday's improvement of 5; the results are due to-day. Merchant Banks tended easier, although Leopold Joseph moved up 15 to 175p in a thin market and Arbuthnot Latham closed 5 better at 185p, after 190p.

Insurances were neglected, but tended to pick up a little from slightly lower opening levels. "Royals" finished 2 up at 326p, after 322p, while Phoenix were 2 easier at 226p, after 224p. London United Investments shed 3 to 53p, while Lloyd's brokers saw C. E. Heath, 372p, lose 4 of the previous day's gain of 11.

Movements were few and far between in Breweries. Elsewhere, Distillers ended 3 dearer at 158p.

Clark and Fenn continued firmly in Buildings, rising 5 further to 69p on fresh speculation about a possible counterbid to the Trafalgar House offer. A. V. Jennings improved 6 to 154p, while AP Cement, 194p, and May and Hassell, 75p, put on 3 apiece. Magnet and Southerns, however, declined 6 to 168p.



ICI closed without alteration at 404p, after 401p. Elsewhere in Chemicals, Laporte responded to the preliminary figures with a rise of 5 to 111p.

Television issues were narrowly mixed. Westward closed a fraction easier at 20½p after the results.

Stores attracted interest late and closed on a firm note. British Home Stores were finally 2 up at 372p, after 368p, following Press comment on the preliminary figures, while Burton Group "A" ended a penny firmer at 57p in front of to-day's interim report. Debenhams, however, eased 2 to 94p following news of the proposed acquisition of the American shoe retailing outfit I. Miller. Mothercare reacted to 184p on the preliminary figures before closing a net 2 cheaper at 188p. Thomas Marshall Investments, at 83p, gave up 3 of the previous day's rise of 13 which followed the bid from William Baird; the latter lost another penny at 98p. The chairman's statement failed to generate much interest in W. H. Smith "A" which reacted 4 to 368p.

Electrical leaders partially retrieved initial modest losses in quiet trading. EMI, after recent strength, reacted to 257p before closing a net 3 easier at 259p, while Reyrolle Parsons finished 1½ softer at 125½p and BICC 2 off at 120p, after 118p. Philips' Lamp provided a firm spot at £10¾, up ⅛ in reflection of the rise in the dollar premium. Elsewhere, the profits improvement and scrip issue plan left Newman Industries 3 better at 55p, but Ever Ready, with preliminary figures expected May 21, softened 2 to 134p. Decca "A" receded 6 to 240p and Lec Refrigeration 3 to 83p.

Porter Chadburn stood out in Engineerings, rising 12 to 54p on profits above expectations together with the encouraging statement about current prospects. E. E. Jeavons also achieved a sharp gain to 38p, up 10, following speculation that a battle could well develop for the company; Pentos announced late on Monday its intentions of initiating negotiations regarding a cash offer of 35p per share. Avery's gained 3 to 119p, reflecting the good results, but the chairman's caution and news that two former directors were to sue the company put Spear and Jackson down 6 to 81p. Haden Carrier, 117p, steadied after Monday's setback of 13 which followed below-expected-results, a bearish statement and the existence of a market bull position. Elsewhere, John Folkes Hefo non-voting rose 3 to 23½p and Newman Tubes were similarly better at 54p. Of the leaders, Tube Investments moved up 4 to 378p. In yesterday's regional prices Fife Forge should have been 40 ex scrip issue, unchanged on the day.

Among quiet Foods, Tate and Lyle finished unchanged at 290p, after 288p, following news that the allegations of corrupt practice made by the Iranian Government had been dropped. J. Sainsbury edged up a penny to 120p in front of to-day's preliminary statement. Squirrel Horn rose 3 to 33p and British Sugar improved 5 to 360p. Associated Fisheries contrasted with a fall of 2 to 25p on the latest developments in the cod war dispute.

J. Lyons "A" were quietly dull following the "rights" issue result, the Ordinary closing a penny easier at 108p and the new fully-paid shares finishing 2 cheaper at 107p. Trust Houses Forte gave up a penny more at a 1976 "low" of 96p on further consideration of the chairman's statement at the annual meeting.

After starting on a dull note, the miscellaneous Industrial leaders showed some improvement to finish a little firmer on balance. Unilever ended 4 up at 490p, after 484p, and the NV, on investment premium influences, ⅜ harder at £24⅞. Bowater recorded a net gain of 3 at 229p, after 223p and Boots ended a penny firmer at 140p, after 137p. The Australian Broken Hill Proprietary rose 20 to 780p and the South African Barlow Rand 8 to 218p, both benefiting from the firmer investment premium. Elsewhere, Lesney Products were an outstandingly firm market, rising 5 to a peak for the year of 66p in response to the profits upsurge and forecast jump in dividend accompanying the "rights" offer proposals, reflecting the absence of any proposals for full enfranchisement, the Restricting Voting were lowered to 40p but later recovered to 45p, unchanged on balance. Still benefiting from the profit expansion, Davies and Newman rose 6 more to 102p for a two-day advance of 10. The chairman's statement with the full report left Stag Furniture 4 up at 108p while, on further consideration of increased first-half profits, G. R. (Holdings) added 4 at 242p. Stonehill put on 2 to 124p on expansion news.

Brook Street Bureau reacted to 38p on the fall in profits, but later improved to 41p for a net gain of a penny on consideration of the improving outlook. M.Y. Dart, after receding to 36p on the reduced interim profits, rallied to 39p, only a penny easier on the day, on the accompanying encouraging remarks on prospects. Smith and Nephew followed the first-quarter results with a loss of 3½ at 52p.

Motors and Distributors spent a quiet session. Clayton Dewandre, still reflecting trading news, moved up 4 to 83p, while Brown Bros. resonded to late support with a rise of 1¾ to 15¼p. In garages, T. C. Harrison closed a penny harder at 49p following the preliminary figures.

On the view that they had recently been overlooked, Daily Mail "A" rose 8 to 194p, but other Newspapers tended to ease a shade. Paper/Printings were neglected apart from John Waddington, up 3 more at 107p, while Collett Dickenson, in Advertising Agencies, improved 2 to 47p on the higher profits.

Berkeley Hambro rise

Feature of a quiet Property sector was Berkeley Hambro, which moved ahead 10 more to 130p for a two-day rise of 15 on rumours that the company had completed a major property letting. A slightly easier tendency in the leaders was reversed late to leave prices a little firmer on balance. Land Securities, 164p, after 161p, and MEPC, 71p, after 68p, both finished 2 harder. Elsewhere, Percy Bilton managed an improvement of 5 at 153p and London and Provincial Shop Centres put on 3 to 52p, while Wingate Investments, helped by Press comment, hardened a penny to 21p. Rush and Tompkins, ahead of Friday's annual results, improved a penny more to 49p for a two-day gain of 4. Keith and Henderson, on the other hand, slipped back 2 to 93p awaiting news of the bid talks with Welfare Insurance. Midhurst White, on the nil interim dividend and first-half loss, closed fractionally easier at 13p.

The pattern in Oils was again allied to the general trend, small initial losses recovered and the close being near to the best of the day. Shell illustrated this by falling to 430p before closing a net 4 higher at 438p, while British Petroleum eased to 653p, prior to ending 8 up on balance at 663p. Revived speculative interest in Burmah accompanied various rumours from a pending bid to prospective tanker sales; the price fluctuated between 34p and 39p before settling 3 dearer on the day at 38p. Royal Dutch gained ⅜ further to £41⅛, still on investment premium influences, but news of the "rights" issue, lower profits and dividend omission brought Tricentrol down 6 to 64p, after 63p.

Overseas Traders were in easier vein, with Inchcape losing 5 to 447p and declines of 3 occurring in Booker McConnell, 136p, and Lonrho, 93p, after 92p. Gill and Duffus softened 2 to 175p.

The main movements in Trusts and Financials were confined to Oversease issues which improved in sympathy with the strength of the dollar premiums. Selected Risk moved up 10p to 420p, while Argo, 160p, and Int. Pacific Securities, 135p, put on 5 apiece. Rolinco hardened a point to £46¾ and Robeco gained 1½ at £62½. Domestic issues were noteworthy for a rise of 1½ to 20½p in Bishopsgate Property and a gain of 2½ to 23p in Chaddesley.

Shippings fluctuated narrowly in quiet trading, P & O Deferred closing 3½ better at 99½p ahead of to-day's results. Furness Withy contrasted with a fall of 7 to 221p, sentiment being upset by the poor figures from Manchester Liners; the latter, at 270p, picked up 5 of the previous day's loss of 15.

Dawson International issues benefited from speculative attention and gained 3 to 53p. Textiles otherwise were neglected but Courtaulds finally hardened 1 to 156p, after 158p.

Recent interest in Tobaccos slackened and profit-takers took the upper hand. As a result, Bats reacted to 398p before closing a net 3 off at 402p and Tobaccos Securities Trust slipped 7 to 300p; the latter's Deferred gave up another ½ at £12.

South African Industrials featured a fresh rise of 5 to a 1976 peak of 75p in Gold Fields Properties.

Warren Tea were a small feature in Plantations, rising 3 to 95p; news of a proposed capital reorganisation came too late to affect the shares further.

Golds see-saw

The further rise in the investment dollar premium continued to be the dominant factor in the movements in overseas-based mining shares. South African Golds opened lower in line with the trend in overnight markets and the easier morning bullion fixing but the shares subsequently turned upwards reflecting the sharp rise in the premium coupled with interest.

In the afternoon, however, easing in the premium resulted in a general mark down of prices with sentiment also affected by the further decline in bullion which was finally 50 cents lower at $128 per ounce.

A feature in Golds was the substantial demand for uranium issues. Randfontein jumped to £16 after £17, while Stilfontein rose 10 to 218p after 225p.

Overseas-based Financials moved ahead in line with the premium although they eased towards the close. Anglo American rose 6 to 318p, while Rand Selection put on 10 to [illegible].

In the London-based stocks, Gold Fields receded 4 to [illegible]. Platinums and Coppers were neglected, but Tins generally gained ground reflecting the strength of the metal price. Berjuntai rose 5 to a 1976 high of 395p and Gopeng put on a similar amount to 205p.

Australians were firmer mirroring the premium and despite an uninspiring performance in overnight markets in Sydney and Melbourne. Poseidon advanced 15 to 205p, while BH South were 9 higher at 193p. Pacific Copper rose 5 to 30p following the chairman's reiteration of the previously stated indicated ore reserves and grades from the wolfram prospect in New South Wales, over which the company holds an option to acquire 60 per cent.

FINANCIAL TIMES STOCK INDICES

—	May 4	May 3	April 30	April 29	April 28	April 27	1 year ago
Government Secs.	62.10	62.12	62.16	62.14	61.84	61.47	[illegible]
Fixed Interest	61.66	61.70	61.75	61.67	60.84	60.54	[illegible]
Industrial Ordinary	420.8	419.2	418.1	412.2	410.3	409.9	[illegible]
Gold Mines	187.5	189.7	187.9	184.5	186.9	198.0	[illegible]
Ord. Div. Yield %	5.02	5.05	5.04	5.10	5.15	5.14	[illegible]
Earnings Y'ld % (full)(a)	14.75	14.77	14.80	14.99	15.07	15.12	[illegible]
P/E Ratio (net) (a) (b)	9.97	9.96	9.93	9.81	9.76	9.73	[illegible]
Dealings marked	6,485	5,754	5,208	5,362	6,540	5,354	[illegible]
Equity turnover £m	—	76.86	70.13	62.60	61.97	59.94	[illegible]
Equity bargains total	—	16,259	15,614	14,124	13,734	13,849	[illegible]

10 a.m. 416.5. 11 a.m. 417.5. Noon 417.3. 1 p.m. 417.2.
2 p.m. 417.4. 3 p.m. 419.0.
Latest Index 01-246 8026.
(a) Based on 52 per cent. corporation tax. (b) Nil=9.88.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

—	1976 High	1976 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	66.21 (30/1/76)	60.19 (2/1/76)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	64.45 (2/2/76)	59.73 (2/1/76)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	420.8 (4/5/76)	381.6 (5/1/76)	540.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	240.9 (2/1/76)	140.1 (5/4/76)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

—	May 4	May 3
Daily—		
Gilt-Edged	165.6	[illegible]
Industrials	214.3	[illegible]
Speculative	70.0	[illegible]
Totals	147.6	[illegible]
5-day Av'r'ge		
Gilt-Edged	166.7	[illegible]
Industrials	191.7	[illegible]
Speculative	63.9	[illegible]
Totals	129.0	[illegible]

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS
GROUPS & SUB-SECTIONS
Figures in parentheses show number of stocks per section.

	Equity groups	Tue. May 4 Index No.	Day's Change %	Est. Earnings Yield % (Max.) (Corp. Tax 52%)	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) (Corp. Tax 52%)	Est. P/E Ratio (nil) (Corp. Tax 52%)	Mon. May 3 Index No.	Fri. April 30 Index No.	Thurs. April 29 Index No.	Wed. April 28 Index No.	Year ago (approx.) Index No.	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (179)	158.56	−0.9	14.24	5.55	10.59	10.49	160.01	158.04	157.37	156.88	112.60	160.06 (21/4)	143.65 (2/1)	206.37 (4/5/72)	50.71 (13/12/74)
2	Building Materials (30)	145.57	−0.7	12.19	6.23	12.43	12.42	146.64	144.05	144.09	144.09	99.47	150.18 (15/1)	138.49 (20/2)	255.84 (2/5/72)	44.27 (11/12/74)
3	Contracting, Construction (23)	224.60	−0.6	15.96	4.70	9.73	9.73	225.92	225.56	224.62	224.67	213.73	260.20 (15/1)	222.65 (15/4)	389.33 (19/5/72)	71.48 (2/12/74)
4	Electricals (16)	278.13	−2.1	14.71	4.45	10.03	9.75	284.14	279.95	276.82	274.99	189.41	287.30 (21/4)	250.60 (6/1)	350.04 (4/5/72)	86.71 (26/5/62)
5	Engineering (Heavy) (13)	191.16	−1.0	18.96	6.20	8.26	8.26	193.18	191.56	190.12	189.38	137.18	193.18 (5/5)	163.90 (6/1)	202.57 (6/6/75)	94.43 (1/2/76)
6	Engineering (General) (63)	148.73	−0.4	14.34	5.88	10.37	10.37	149.29	147.35	147.11	146.68	101.31	149.29 (3/5)	125.48 (2/1)	168.69 (4/5/72)	45.14 (6/1/75)
7	Machine and Other Tools (9)	60.42	−0.3	14.08	6.47	12.75	12.75	60.62	59.29	59.01	58.91	44.41	60.62 (5/5)	51.19 (5/1)	136.70 (4/7/66)	19.96 (13/12/74)
8	Miscellaneous (25)	140.06	−0.4	13.68	6.00	11.39	11.10	140.68	140.44	139.79	139.15	103.24	140.68 (3/5)	121.53 (2/1)	177.41 (27/4/72)	49.65 (6/1/75)
9	CONSUMER GOODS (DURABLE) (53)	138.77	−0.8	14.85	4.68	10.02	9.99	139.95	137.97	137.27	137.13	79.48	141.46 (21/4)	121.87 (2/1)	227.78 (21/4/72)	38.39 (6/1/75)
10	Lt. Electronics, Radio TV (15)	155.69	−0.9	12.76	3.46	11.50	11.49	157.07	154.68	153.72	153.40	86.04	160.55 (7/4)	139.18 (2/1)	257.41 (19/5/72)	42.85 (12/12/74)
11	Household Goods (13)	182.55	+0.3	18.92	6.28	7.88	7.86	181.92	179.74	179.40	182.07	132.22	187.22 (7/4)	163.38 (2/1)	263.22 (4/6/72)	63.92 (17/12/74)
12	Motors and Distributors (25)	84.08	−1.3	16.77	6.11	9.02	8.98	85.16	84.02	83.66	83.19	45.39	85.16 (3/5)	70.05 (6/1)	170.59 (15/1/69)	19.91 (6/1/75)
13	CONSUMER GOODS (NON-DURABLE) (168)	157.12	−1.0	13.70	5.71	10.99	10.91	158.64	155.13	154.00	153.69	126.90	162.24 (4/2)	148.09 (12/4)	226.08 (16/8/72)	61.41 (13/12/74)
14	Breweries (15)	160.87	−0.3	14.00	6.70	10.72	10.72	161.43	157.87	156.31	155.20	137.01	179.43 (2/3)	150.25 (12/4)	281.87 (28/11/72)	69.47 (13/12/74)
15	Wines and Spirits (7)	190.07	—	9.90	5.32	15.33	15.33	190.05	185.24	184.09	181.80	145.73	190.07 (4/5)	173.82 (12/4)	257.40 (13/7/72)	78.81 (13/12/74)
16	Entertainment, Catering (14)	187.69	−1.6	12.80	7.03	12.02	11.93	190.68	189.95	188.81	187.67	132.37	211.26 (8/3)	182.25 (2/4)	329.99 (12/12/72)	54.87 (19/7/74)
17	Food Manufacturing (22)	177.19	−0.6	14.47	4.87	10.55	10.49	178.34	176.39	174.34	174.45	135.65	178.34 (3/5)	162.69 (20/2)	211.65 (1/5/72)	59.78 (11/12/74)
18	Food Retailing (16)	138.84	−1.3	11.88	5.03	12.25	12.25	140.66	137.79	137.39	138.63	127.80	150.05 (12/1)	135.51 (3/4)	235.08 (15/8/72)	54.25 (11/12/74)
19	Newspapers, Publishing (16)	175.60	−0.3	11.95	6.87	12.82	12.82	176.05	174.53	174.32	173.07	130.37	184.34 (11/3)	163.47 (2/1)	250.89 (16/1/72)	55.08 (6/1/75)
20	Packaging and Paper (12)	110.50	−0.6	19.28	7.08	7.92	7.92	111.21	109.54	109.07	108.78	92.58	112.50 (26/2)	104.18 (2/4)	135.69 (26/4/72)	43.46 (6/1/75)
21	Stores (34)	127.58	−1.6	11.66	5.57	13.23	13.21	129.62	127.71	126.67	126.71	117.41	136.24 (2/3)	121.50 (12/4)	204.39 (16/8/72)	52.63 (6/1/75)
22	Textiles (23)	171.92	−1.5	12.63	6.44	10.45	9.78	174.16	168.91	168.48	165.98	121.22	183.19 (30/1)	165.16 (12/4)	253.72 (17/9/68)	62.66 (11/12/74)
23	Tobaccos (3)	240.00	−0.8	18.17	5.90	8.39	8.39	241.89	227.93	226.66	227.42	172.73	241.89 (5/5)	211.56 (5/5)	339.16 (2/8/72)	94.34 (13/6/62)
24	Toys and Games (6)	77.84	+1.8	17.52	4.82	7.95	7.95	76.49	75.51	75.63	74.46	41.02	77.84 (4/5)	59.13 (22/1)	135.72 (16/1/70)	20.92 (6/1/75)
	OTHER GROUPS (96)															
25	Chemicals (26)	228.04	−1.4	11.36	4.24	12.57	12.56	231.38	228.24	226.96	226.51	152.53	231.38 (3/5)	199.45 (6/1)	231.38 (3/5/76)	71.20 (1/12/74)
26	Office Equipment (9)	97.68	−0.6	13.05	5.54	11.67	11.67	98.50	98.50	98.39	98.77	89.65	99.82 (21/4)	85.09 (2/1)	246.06 (1/9/72)	45.34 (2/1/75)
27	Shipping (12)	397.26	−2.2	18.10	6.45	7.08	6.80	388.68	392.23	384.53	384.71	331.08	432.64 (30/1)	355.52 (19/3)	517.00 (5/12/72)	90.80 (29/5/62)
28	Miscellaneous (49)	171.05	−0.6	15.65	6.25	10.79	10.78	173.09	171.80	170.51	170.35	134.20	172.98 (21/4)	156.79 (2/1)	258.85 (2/5/72)	60.39 (6/1/75)
29	INDUSTRIAL GROUP (496)	165.87	−0.9	13.62	5.44	10.90	10.85	165.38	162.85	161.81	161.51	125.06	165.38 (5/5)	152.00 (2/1)	220.17 (1/5/72)	59.01 (13/12/74)
30	OILS (4)	380.17	−0.6	11.27	4.32	10.26	9.50	377.97	380.78	379.25	375.24	236.40	380.78	351.34	451.66	87.23
31	500 SHARE INDEX	181.75	−0.7	15.25	5.27	10.80	10.59	183.00	180.84	179.75	179.17	132.61	183.00 (5/5)	157.51 (2/1)	227.95 (16/2/72)	63.49 (13/12/74)
32	FINANCIAL GROUP (100)	137.64	−0.8	—	5.33	—	—	138.75	136.14	136.04	135.59	131.80	155.46	134.75	241.41	55.60
33	Banks (6)	165.94	−0.2	18.42	5.10	8.55	8.55	166.21	161.84	163.04	162.59	145.31	192.16	152.93	288.52	62.44
34	Discount Houses (10)	162.84	−0.2	..	7.63	—	—	162.43	160.86	160.73	158.87	129.05	186.52	158.20	293.13	81.40
35	Hire Purchase (5)	113.17	−0.8		5.57	—	—	114.04	114.90	115.69	114.90	102.45	132.10	104.50	433.72	38.83
36	Insurance (Life) (9)	118.43	−1.6		6.02	—	..	120.36	117.99	117.42	117.31	107.03	129.46	116.73	194.46	44.88
37	Insurance (Composite) (7)	110.39	−1.4		6.36	—	—	111.94	109.50	108.88	108.95	103.52	119.75	105.32	166.76	43.96
38	Insurance Brokers (9)	263.51	−0.8	8.74	4.00	16.98	16.98	265.51	259.86	259.74	253.87	176.75	265.51	218.26	265.51	65.86
39	Merchant Banks (17)	81.27	−0.3		6.81	—	—	81.56	81.52	81.76	82.06	83.05	95.83	77.94	278.57	31.21
40	Property (31)	162.44	−0.6	3.25	3.08	55.14	55.99	165.44	161.96	160.80	159.83	212.71	194.57	155.65	357.40	56.01
41	Miscellaneous (6)	80.80	−1.1	16.18	6.95	9.68	9.68	81.67	81.14	81.15	80.93	67.38	91.98	78.10	303.15	35.29
42	Investment Trusts (50)	167.67	−0.5	3.09	4.32	33.72	33.70	168.51	165.74	165.34	164.98	161.42	184.55	155.54	245.79	71.63
43	ALL-SHARE INDEX (650)	170.48	−0.7	—	5.23	—	—	171.66	169.39	168.56	168.02	133.14	172.64	160.52	228.16	61.92
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (9)	517.65	−0.2	11.51	6.54	13.10	12.92	516.82	508.53	508.73	500.51	486.31	617.65	404.67	555.37	84.68
45	Teas (8)	140.20	−0.2	30.05	8.45	4.52	4.56	140.44	140.20	139.46	140.44	88.58	140.44	117.89	140.44	59.72
46	Coppers (3)	248.60	−0.8	39.75	6.91	2.52	2.52	250.51	250.01	242.62	242.62	458.70	301.47	178.95	567.78	94.08
47	Mining Finance (11)	115.13	−0.2	9.07	4.36	12.36	12.27	114.89	115.19	114.72	113.88	124.85	119.77	86.18	175.90	66.31
48	Tins (8)	107.69	−0.4	11.26	8.19	12.94	13.26	107.30	108.50	108.32	107.06	99.00	108.50	86.09	125.43	54.83
49	Overseas Traders (13)	251.17	−1.5	13.34	4.11	9.83	9.82	254.47	252.99	250.74	249.78	219.31	254.47	229.55	254.47	97.37

	FIXED INTEREST	Tue. May 4 Index No.	Tue. May 4 Yield %	Mon. May 3	Fri. April 30	Thurs. April 29	Wed. April 28	Tue. April 27	Mon. April 26	Fri. April 23	Year ago (approx.)	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	13.86	13.85	13.83	13.83	13.92	14.01	14.21	14.19	15.47	—	—	—	—
2	20-yr. Govt. Stocks (6)	49.84	13.06	49.86	49.86	49.85	49.62	49.48	48.61	48.71	45.99	53.45 (30/1)	47.56 (2/1)	115.48 (11/9/65)	38.27 (6/1/75)
3	20-yr. Red. Deb. & Loans (15)	50.37	‡14.71	50.00	50.05	*50.04	*49.38	49.38	49.58	49.43	45.35	51.46 (4/3)	46.68 (2/1)	113.43 (25/10/65)	37.01 (3/1/75)
4	Investment Trust Prefs. (15)	48.48	14.29	48.44	48.19	48.27	48.05	47.66	47.26	47.49	42.12	51.23 (18/2)	46.50 (2/1)	114.41 (13/9/65)	34.45 (4/12/74)
5	Coml. and Indl. Prefs. (20)	65.67	14.49	65.40	65.65	65.20	65.13	64.93	64.62	65.01	57.74	71.97 (9/2)	62.76 (2/1)	114.95 (7/10/65)	47.67 (6/1/75)

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
Overseas Traders	31/12/74	100.00	Miscellaneous Financial	31/12/70	128.06
Engineering (Heavy)	31/12/71	153.84	Food Manufacturing	29/12/67	114.13
Engineering (General)	31/12/71	153.84	Food Retailing	29/12/67	114.13
Wines and Spirits	16/1/70	144.75	Insurance Brokers	29/12/67	96.67
Toys and Games	16/1/70	135.72	Mining Finance	29/12/67	100.00
Office Equipment	16/1/70	153.84	All Other	10/4/62	100.00
Industrial Group	31/12/70	128.20	‡ Redemption yield.		

Calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer.

A list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by post 20p. * Corrected.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1976 high	1976 low
Shell Transport	25p	13	438	+ 4	444	378
Bowring (C.T.) 'New'	Nil/pd.	11	14*	− 3	17*	8*
Aust. & NZ Bkg.	£1	10	463	+10	480	380
"Bats"	25p	10	402	− 3	410	342
Distillers	50p	9	158	+ 3	158	142
ICI	£1	9	404	—	411	334
Marks & Spencer	25p	9	97	+ 1	108	88
Reed Intl.	£1	9	271	− 2	288	252
BP	£1	8	663	+ 8	665	575
Burmah Oil	£1	8	38	+ 3	53	31
Glynwed 'New'	Nil/pd.	8	23½*	− 2½	26½*	23*
HK & Sh. Bank	$HK2.50	8	347	+ 4	347	291
Lesney Products	5p	8	66	+ 5	66	37
P & O Defd.	£1	8	99½	+ 3½	119	87
Allied Breweries	25p	7	69	+ 2	77	40½

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).
* Premium.

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Apr. 28	May 10	July 22	Aug. 3
May 11	May 24	Aug. 5	Aug. 17
May 25	Jun. 8	Aug. 19	Sep. 1

"Calls" were dealt in English Property, Town and City, Dunlop, Weir Group, Laurence Scott, Manson Finance, Slater Walker, Lonrho, Stenhouse and General Engineering (Radcliffe). No "puts" were reported, while "doubles" were arranged in Courtaulds, Laurence Scott, Fraser Ansbacher, J. Sainsbury, English Property, Grand Metropolitan, Ultramar and Samuel Properties.

Industrials		Guardian	23	Spillers	—	Ultramar	50
A. P. Cement	15	G.K.N.	22	Tesco	5		
Assoc. Leisure	5	Hawker Sidd.	35	Thorn "A"	20	Mines	
Barclays Bank	22	House of Fraser	8	Tube Invest.	27	Anglo Amer.	50
Beecham	28	I.C.I.	21	Unilever	40	Charter Cons.	16
Boots Drug	12	"Imps"	7	Utd. Drapery	10	[illegible]	6
Bowaters	16	I.C.L.	14	Vickers	15	Cons. Gold	16
B.A.T.	50	Inveresk	7	[illegible]	4	De Beers Def.	35
British Leyland	7	Legal & General	13	Woolworths	6	[illegible]	350
BOC Intl.	5½	[illegible]	11			[illegible]	12
Burton "A"	7	Lloyds Bank	22	Property		Hampton Areas	12
Cadburys	6	"Lots"	4	Brit. Land	4½	Hampton Prop.	4
Courtaulds	11	"Mams"	6	Cap Counties	5½	[illegible]	100
Debenhams	8	Marks & Spencer	10	E.P.	8	Lonrho	12
Distillers	14	Midland Bank	22	Intl. Europe	7	[illegible]	65
Dunlop	7½	Nat'l West Bank	20	Land Securities	16	Poseidon	35
Eagle Star	13	"Do" Warrants	8½	MEPC	10	Pres. Steyn	200
E.M.I.	17	P & O Dfd.	11	Peachey	5½	Rio T. Zinc	17
Gen. Accident	16	Plessey	8	Town & City	3½	Welkom	55
Gen. Electric	15	R.H.M.	6	Town & Commer.	4	West Areas	40
Glaxo	35	Rank Org. "A"	18			Western Mng.	18
Grand Met	7	Reed Int'l.	25	Oils			
G.U.S. "A"	17	Rothmans	4	Brit. Petroleum	40		
		Slater Walker	4½	Burmah Oil	7		

NEW HIGHS AND LOWS FOR 1976

NEW HIGHS (114)

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1976.

FOREIGN BONDS (1)
AMERICANS (25)
CANADIANS (5)
BANKS (1)
BEERS (1)
BUILDINGS (3)
CHEMICALS (2)
CINEMAS (1)
DRAPERY AND STORES (2)
ELECTRICALS (1)
ENGINEERING (8)
FOODS (1)
INDUSTRIALS (21)
PAPER AND PRINTING (2)
SOUTH AFRICANS (1)
TRUSTS (13)
OILS (3)
RUBBERS (2)
TEAS (3)
MINES (17)

NEW LOWS (17)

BANKS (1)
Dawes (G. R.)
STORES (1)
Rosgill
ENGINEERING (1)
TCK
HOTELS (1)
Trust Houses Forte
INDUSTRIALS (7)
Allied Polymer, Lep
Bestobell, MY Dart
Cape Industries, Miln Marsters
Harris (P.)
PROPERTY (2)
Barratt Devpt., Beazer (C. H.)
TEXTILES (2)
Blackwood Morton, Slimma
TRUSTS (1)
York Trust
OILS (1)
P North Sea Assoc

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	7	18	42
Corpns., Dom. and Foreign Bonds	13	7	44
Industrials	280	339	1,113
Financial and Prop.	90	81	402
Oils	7	8	22
Plantation	7	1	38
Mines	46	29	72
Recent Issues	4	20	40
Totals	454	[illegible]	1,773

BASE LENDING RATES

Allied Irish Banks Ltd. 9½%
American Express Bank 9½%
Anglo-Portuguese Bank 9½%
Henry Ansbacher 10%
Banco de Bilbao 9½%
Banco de Jerez 10½%
Bank of Cyprus
Bank of N.S.W.
Banque du Rhone S.A.
Barclays Bank
Barnett, Christie Ltd.
Bremar Holdings Ltd.
Brit. Bank of Mid. East
■ Brown Shipley
Canada Permanent AFI
Cayzer, Bowater Co. Ltd.
Cedar Holdings
■ Charterhouse Japhet
C. E. Coates
Consolidated Credits
Co-operative Bank
Corinthian Securities
Credit Lyonnais
G. R. Dawes
Dubost Brothers
Duncan Lawrie
English Transcont.
First London Secs.
■ Antony Gibbs
Goode Durrant Trust
Greyhound Guaranty
Grindlays Bank
■ Guinness Mahon
■ Hambros Bank
Hawtin & Partners
■ Hill Samuel §
C. Hoare & Co. †
Julian S. Hodge
Hongkong & Shanghai
Industrial Bank of Scot.
Keyser Ullmann
Knowsley & Co. Ltd.
Lloyds Bank
London & European
London Mercantile
Midland Bank
■ Samuel Montagu
■ Morgan Grenfell
National Westminster
Northern Comm. Trust
Norwich General Trust
Portman Guaranty
P. S. Refson & Co.
Rossminster Accept'cs.
Schlesinger Limited
E. S. Schwab
Security Trust Co. Ltd.
Shenley Trust
Standard Chartered
Trade Development Bk.
Twentieth Century Bk.
United Bank of Kuwait
Whiteaway Laidlaw
Williams & Glyn's
Yorkshire Bank

■ Members of the Accepting Houses Committee.
* 7-day deposits 5½%, 1-month deposits 5¾%.
† 7-day deposits on sums of £10,000 and under 5½%, up to £25,000 6¼%, over £25,000 6¾%.
§ Demand deposits 7%.
‡ Call deposits over £1,000 5½%.

MONEY MARKET

Moderate assistance

Bank of England Minimum Lending Rate 10½ per cent. (since April 23, 1976)

Day-to-day credit was in short supply again in the London money market yesterday and the authorities lent a further moderate amount to three or four houses, overnight at Bank of England Minimum Lending Rate. Banks carried forward run down balances, there was a net market take-up of Treasury bills, and settlement was made of official sales of gilt edged. Repayment was made of Monday's official advances and a rise in the note circulation was also against the market. On the other hand Government disbursements exceeded revenue payments to the Exchequer.

Discount houses paid 9½-9¾ per cent. for secured call loans in the early part and closing balances were taken at 9¼-10 per cent.

In the interbank market overnight loans opened at 9½-9¾ per cent. and touched 10¼ per cent. in places, before closing at 9½-9¾ per cent.

Short-term fixed period interest rates showed fixed changes, but discount houses buying rates for three-month Treasury bills increased slightly to 9⅞ per cent. from 9½-9¾ per cent.

Rates in the table below are nominal in some cases.

May 4 1976	Sterling Certificates of deposit	Interbank	Local Authority deposit*	Local Auth. negotiable bonds	Finance House deposit	Company deposits	Discount market deposits	Treasury bills Φ	Bank Bills Φ	Fine trade Bills Φ
Overnight	—	9½-10¼	—	—	—	9¾	9¼-10	—	—	—
2 days notice	—	—	9⅝	—	—	—	—	—	—	—
7 days or 7 days notice	—	9⅝-9⅞	9¾	—	—	—	9⅝-9¾	—	—	—
One month	9½-9⅝	9⅞-9⅞	9⅞	10¼-9⅞	10¼-10½	—	9½	9⅝-9¾	9⅞-9⅞	10¼-10½
Two months	9¾-9¾	9⅞-9⅞	—	10¼-9¾	10⅜-10¼	—	9⅞-9⅞	9⅞-9⅞	9⅞	10¼-10⅜
Three months	10-9⅞	9⅞-10	10	10¼-9¾	10⅜-10¼	—	9⅞-9¾	9⅞	9⅞-9⅞	10¾
Six months	10⅛-9⅞	9⅞-10⅛	10⅛-10¼	10¼-9¾	10¼-11	—	—	—	10⅛-10	11
Nine months	10⅛-10⅛	10¼-10⅛	—	10⅜-10¼	11¼	—	—	—	—	—
One year	10⅝-10⅛	10⅝-10⅛	10⅞-11	11-10½	11⅛-11¾	—	—	—	—	—
Two years	—	—	11⅜-11¾	—	—	—	—	—	—	—

† Local authority and finance houses seven days' notice, others seven days' fixed. * Longer-term local authority mortgage rate nominally three years 12½-12¾ per cent.; four years 12¾-13 per cent.; five years 13¼-13½ per cent. Φ Bank bill rates in table are buying rates for prime paper; buying rates for four-month bank bills 10 per cent.; and four-month trade bills 11 per cent. Approximate selling rate for one-month Treasury bills 9 11/16 per cent.; two months 9 23/32 per cent.; and three months 9 13/16 per cent. Approximate selling rate for one-month bank bills 9¾-9 11/16 per cent.; two months 9⅞ per cent., and three months 9 15/16-9⅞ per cent.; for one-month trade bills 10¼-10⅛ per cent.; two-month 10¼-10⅛ per cent.; and three-month 10½ per cent.

Finance House Base Rates (published by the Finance Houses Association) 9 per cent. from April 1, 1976. Clearing Bank Deposit Rate for small sums at seven days' notice 5½ per cent. Clearing Bank Base Rate for lending 9½ per cent. Treasury Bill Average tender rate of discount 9.0622 per cent.

CORAL INDEX
Close 420-425

I.G. INDEX
GOLD 126¼-129¼

INSURANCE BASE RATES

† Atlantic Assurance
Cannon Assurance
† Address shown under Insurance and Property Bond table.

AUTHORISED UNIT TRUSTS

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

REGIONAL MARKETS

A selection of the share prices previously shown under regional headings is presented below with quotations on London. Irish issues, most of which are not officially listed in London, are shown separately and with prices as on the Irish exchange.

			Craig Ship. £1	320	......	Shiloh Spinn.	26	......
			Hallam Sleigh 10p	8	......	Sindall (Wm.)	53	......
Albany Inv. 20p	19	......	Higsons Brew.	97	......			
Ash Spinning	34	......	I.O.M. Stm. £1	135	......	**IRISH**		
Bertam	28	......	Holt (Jos.) 25p	230	......	Alliance Gas (£1)	72	......
Bdg'wtr. Est. 50p	145	......	Kleen-e-Ze	22	......	Carroll (P. D.)	124	......
Clover Croft	30	......	Lovell's Ship £1	75	......	Clondalkin	90	......
Craig & Rose £1	327	......	N'thn. Goldsmith	39	......	Concrete Prods.	95	......
Dyson (R.A.)	20	......	P.M.A.	42	−½	Goodbody (£1)	25	......
Ellis & McHdy	69	......	Pearce (C. H.)	80	......	Heiton (Hldgs.)	27	......
Evans Fr'k 10p	23	......	Peel Mills	14	......	Irish Distillers	59	+3
Evered	10	......	RobbCaledon5h	43	......	Irish Wire	40	......
Fife Forge	40xd	......	Sayers 12½p	13	......	Jacob	63	......
Finlay Pkg. 5p	16½	......	Sheffield Brick	87	......	Sunbeam	13½	......
Frost & Reed 50p	152	......	Sheff. Refrshmt.	140	......	Unidare	[illegible]	......

COMPANY NOTICES

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1976 High	1976 Low	Stock	£	+ or −	Yield Int.	Yield Red.
		"Shorts" (Lives up to Five Years)				
99[illegible]	92[illegible]	Treasury 6½pc 1976‡‡	99	−1/16	6.57	9.97
98⅝	98⅝	Victory 4pc 1976‡‡	98⅝	......	4.04	—
101[illegible]	99[illegible]	Treasury 10½pc 1976‡‡	100¼	...	10.49	10.16
98[illegible]	95[illegible]	Treasury 6¾pc 1977‡‡	97¼	−1/16	6.43	9.82
97¾	94½	Electric 3pc 74-77	95¾	......	3.14	8.66
103[illegible]	92[illegible]	Treasury 11½pc 77‡‡	101½	......	11.33	10.24
94¼	91⅞	Treasury 3pc 77‡‡	94¼xd	+⅛	3.19	7.11
94[illegible]	92¼	Transport 4pc 72-77	93¼	+⅛	4.29	8.50
99[illegible]	90½	Treasury 9pc 1978‡‡	97[illegible]	......	9.24	10.52
101½	98[illegible]	Treasury 10½pc 78‡‡	99⅝	......	10.54	10.67
93[illegible]	89⅝	Exchequer 5pc 76-78‡‡	91⅛	+⅛	5.48	9.19
103[illegible]	100¼	Treasury 11½pc 79‡‡	101¼	−⅛	11.36	10.95
86⅞	83⅝	Treasury 3pc 79‡‡	86⅝	+¼	3.46	7.56
89½	73⅞	Electric 4¼pc 74-79	87⅞	......	4.84	8.41
100[illegible]	96[illegible]	Treasury 10½pc 79‡‡	98¼xd	......	10.69	11.10
88¼	83⅝	Electric 3½pc 76-79	87xd	+⅛	4.02	7.78
96[illegible]	91	Treasury 9pc 1980‡‡	93½	......	9.63	11.10
96½	92[illegible]	Treasury 9½pc '80‡‡	94¾xd	......	10.07	11.28
86	82¼	Treasury 3½pc 77-80	83⅛	......	4.20	8.35
88¼	71	Funding 5¼pc 78-80‡‡	86½	......	6.08	9.30
103[illegible]	98	Treasury 11½pc 1981	100¾	+⅛	11.41	11.25
84	80¼	Do. 3½pc 1979-81	81½	......	4.30	8.29
95⅝	92	Do. 9¾pc 1981‡‡	94¾	+⅛	10.29	11.15

Five to Fifteen Years

Over Fifteen Years

Undated

**INTERNATIONAL BANK

**CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS (Miscel.)

FOREIGN BONDS & RAILS

AMERICANS

S.E. List Premium 58¼% (based on $1.8235 per £)

Conversion factor 0.6287 (0.6409)

CANADIANS

1976 High	1976 Low	Stock	£	+ or −	Div. Gross	Cvr	Y'ld Gr's
13¾	11[illegible]	Bk. Montreal $2	13[illegible]xd	+[illegible]	96c	—	3.8
35⅝	29[illegible]	Bk. Nova Scot. $2	34[illegible]	−[illegible]	$1.60	—	2.4
39⅞	33¾	Bell Canada 25c	39⅞	+⅝	$3.44	—	4.5
21⅜	12	Bow Valley‡	21⅜	+2⅞	10c	—	0.3
980p	860p	Brascan‡	970p	−10	s$1.00	—	5.4
29[illegible]	19[illegible]	Can. Imp. Bk. $2	23[illegible]	......	$1.28	—	2.9
15[illegible]	10⅞	Can. Pacific $5	15¼	+[illegible]	84½c	—	2.9
29¼	26½	Do. 4pc Deb. £100	28¾	......	4%	—	13.9
37⅞	21⅝	Gulf Oil Can.‡	27¼xd	......	$1.00	—	1.9
670p	520p	Hawker Sid. Can.‡	600p	+20	36c	—	3.1
30⅝	22	Hollinger $5	30⅝	......	$1.80	—	3.1
16⅞	12⅛	Hudson's Bay ‡	16⅞	+¼	60c	—	1.9
32⅝	26⅛	Hud. B. Oil G. $2½	32⅝	......	$1.40	—	2.2
19¾	17	Imperial Oil‡	19½xd	......	80c	—	2.2
28¾	19½	Inco.	28¼p	−⅛	$1.40	—	2.0
800p	660p	Int. Nat. Gas $1	800p	......	80c	—	5.2
		For Int. Nickel see Inco					
24⅞	16	Massey Ferg.‡	22⅛	−⅛	$1.00	—	2.4
25⅞	20¼	Pacific Pet. $1	25⅞	+⅝	80c	—	1.6
32p	24p	Place Gas $1	26pxd	−1	—	—	—
29⅜	22⅝	Rio Algom	29¾xd	−⅛	$1.00	—	1.8
24¾	20[illegible]	Royal Bk. Can. $2	24[illegible]xd	......	$1.28	—	2.8
25¼	20[illegible]	Seagram Co. C$1	22[illegible]	−½	80c	—	1.9
16¼	13[illegible]	Tor. Dom. Bk. $1	16	−¼	70c	—	2.3
10	830p	Trans. Can. Pipe 33c	10	......	72c	—	2.5
790p	680p	White Pass	745pxd	+5	♦35c	—	2.4

S.E. List Premium 58¼% (based on $1.7980 per £)

††BANKS AND HIRE PURCHASE

1976 High	1976 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
250	203	Alexanders D. £1	215		11.67	—	8.3	—
£110	£95½	Algemene Fl.100	£102½	+1½	Q21%	♦	3.6	♦
490	370	Allen Harvey £1	380		25.0	—	10.1	—
128	106	Allied Irish	112		Q25%	—	5.6	—
60	40	Anglo Contnl.	41		—	—	—	16.5
195	155	Arbuthnot L. £1	185	+5	†7.61	—	6.3	—

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

هكذا من الاعلى

INDUSTRIALS—Continued

1976 High	1976 Low	Stock	Price	+ or —	Div Net	Cvr	Y'ld Gr's	P/E
24	18	Ingall Inds. 10p	22	-1	h1.44	1.7	10.1	8.7
66½	57½	Initial Services	65	-½	†3.37	2.2	8.0	8.8
14½	11¼	Inter-City 20p	13	.....	†0.4	3.1	4.7	9.7
150	110	Int. Computers £1	148	-1	0.65	52.9	0.7	6.1
30	25	James (John)	26½	.....	†d2.12	1.3	12.3	8.2
31	25	James (M) 10p	26	.....	d2.41	1.1	14.3	9.6
422	336	Jardine M. HK$5	407xd	.....	Q63c	ф	1.6	ф
11	8¼	Jentique 5p	9	+½	†0.49	2.4	8.4	7.7
22	13	Johns'n & B. 12½p	13	.....	hd0.78	1.4	10.5	(8.2)
42	32	Johnson Clean	34½	-½	2.52	2.3	10.3	6.5
383	325	Johnson Mth. £1	375	-2	10.29	4.5	4.2	8.1
32	23	Judge Int.	24	.....	1.85	1.7	11.8	7.6
24½	19	Kalamazoo 10p	22	.....	1.57	1.4	11.0	10.0
54	45	Kelsey Ind. 12½p	46	+1	2.63	3.5	8.8	5.0
20	14	Kennedy Sm. 10p	17	.....	1.38	1.9	12.5	6.6
760	525	Kershaw (A.) 5p	675	-13	12.81	0.6	2.9	128.6
230	182	Kleeman	185	+1	4.16	5.6	3.5	7.8
44	27	Kode Int.	42xd	-1	1.33	3.3	5.0	9.4
74	61	L.C.P. Hlds.	74	+1	†3.9	2.4	8.1	10.9
26	22	L.K. Ind. Inv.	26	.....	2.14	ф	13.2	ф
49½	41	L.R.C. Int. 10p	44	-½	†2.0	1.1	7.0	19.7
86½	69	Lamson Inds.	88	.....	2.5	2.2	4.4	16.3
40	20	Lawtex	20	.....	‡2.58	2.0	‡	—
156	118	Lead Inds. 50p	150xd	-2	5.09	ф	5.2	ф
62	55	Leadenhall Stg.	60	.....	†3.32	2.4	8.5	6.3
62	42	Le Bas (Ed.)	61xd	+2	1.48	13.3	3.7	3.1
43	39	Lebeff Fobel 10p	39	.....	†1.48	4.2	5.8	11.1
53	42	Lebus Harris	53	.....	2.93	3.2	8.5	4.1
37	27	Leigh Ints. 5p	32	-1	0.83	ф	4.0	ф
84	73	Leisure Car. 10p	80	.....	†4.82	2.7	9.3	10.8
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

††INSURANCE

1976 High	1976 Low	Stock	Price	+ or —	Div Net	Cvr	Y'ld Gr's	P/E
*86	71	Bowring (C. T.)	79	-1	†2.54	2.6	5.2	12.9
98	82	Brentnall Bd. 10p	98	.....	†3.43	2.7	5.4	13.0
156	136	Britannic 5p	136	-2	7.47	—	8.4	—
950	720	Comb Ins. Am. $1	812	.....	†Q66c	—	4.2	—
158	126½	Comm. Union	132	-1	6.77	—	7.9	—
144	119	Eagle Star	133	-1	4.99	—	5.9	—
£128½	£122	Ennia UK 9% Cnv.	£125	.....	Q9%	—	‡7.4	—
184	166	Equity & Law 5p	176	-2	5.44	—	4.9	—
190	156	Gen. Accident	174xd	.....	5.81	—	5.1	—
225	195	Guardian Royal	208	.....	8.27	—	6.1	—
376	272	Heath (C.E.) 20p	372	-4	†6.1	3.9	2.5	15.7
166	143	Hogg Robinson	166	.....	†h3.23	3.7	3.0	13.7
161	126	Howden (A.) 10p	159	-2	2.47	4.8	2.4	12.0
148	129	Legal & Gen. 5p	134	-1	4.65	—	5.3	—
133	94	Lon. & Gdwn. 10p	129	-1	3.69	ф	4.5	ф
140	110	Lon. & Man. 5p	112	-2	4.64	—	6.4	—
65	52	London United 5p	55	-3	3.42	1.8	9.1	9.3
216	154	Matthew Wr. 20p	216	.....	8.04	2.0	5.9	13.4
134	100	Minet Hldgs. 20p	131	-3	3.39	2.3	4.0	16.4
250	216	Pearl 5p	220	-2	10.24	—	7.2	—
240	204	Phoenix	226	-2	8.42	—	5.8	—
148	133	Provident "A"	135	-2	6.65	—	7.6	—
148	139	Do. "B"	137	.....	6.65	—	7.5	—
146	130	Prudential 5p	132	-3	5.41	—	6.3	—
130	114	Refuge "B" 5p	114	.....	6.83	—	9.2	—
352	304	Royal	326	+2	13.39	1.2	6.3	28.5
280	238	Sedg. Forbes 10p	280	.....	7.81	1.7	4.3	20.4
*113	84	Stenhouse	113	.....	†3.63	2.0	4.9	15.8
470	423	Sun Alliance £1	437	-3	16.4	—	5.9	—
98	86	Sun Life 5p	87xd	-1	12.79	—	4.9	—
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPBUILDERS, REPAIRERS

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

TRUSTS—Continued

[illegible]

TRUSTS—Continued

[illegible]

Finance, Land, etc.

[illegible]

OILS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

CENTRAL RAND

[illegible]

EASTERN RAND

[illegible]

MINES—Continued

FAR WEST RAND

[illegible]

O.F.S.

[illegible]

FINANCE

[illegible]

DIAMOND AND PLATINUM

[illegible]

CENTRAL AFRICAN

[illegible]

AUSTRALIAN

[illegible]

TINS

1976 High	1976 Low	Stock	Price	+ or —	Div Net	Cvr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
100	64	South Kinta (10p)	70	.....	‡9.5	1.5	‡
177	105	Sthn. Malayan	172xd	.....	10.7	0.9	9.6
37	31	Sungei Besi 20p	36	.....	‡6.0	3.0	‡
33	29	Sungei Way $M1	33	.....	ZQ10	—	5.3
48	40	Tanjong 15p	45	.....	4.0	ф	13.7
52	40	Tongkah Hb $M1	43	.....	Q23%	0.6	10.3
92	58	Tronoh	92	.....	4.29	ф	7.2

COPPER

1976 High	1976 Low	Stock	Price	+ or —	Div Net	Cvr	Y'ld Gr's
70	42	Botswana RST R2	54	.....	—	—	—
335	170	Messina R0.50	275	.....	Q35c	1.9	7.5

MISCELLANEOUS

1976 High	1976 Low	Stock	Price	+ or —	Div Net	Cvr	Y'ld Gr's
10	8	Burma Mine 17½p	9		0.1	ф	1.8
39½	23	Charterhall 5p	25	.....	—	—	—
965	580	Cons. Murch. 10c	950	.....	Q80c	1.8	5.0
41	28	Lamasia	41	+1	—	—	—
455	245	Northgate C$1	395	+5	Q25c	0.3	3.3
239	178	R.T.Z.	235xd	.....	5.42	2.1	3.6
112	85	Sabina Inds. C$1	37	-5	—	—	—
£13⅛	£10	Tara Exptn. $1	£13⅜	+⅛	—	—	—
132	88	Yukon Cons. C$1	132	+5	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- △ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ф Figures or report awaited.
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- •• Free of Stamp Duty.
- ◆ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Based on 1973 profits.
- ⁑ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♦ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. K Figures based on prospectus or other official estimates for 1976-77. M Figures based on prospectus or other official estimates for 1976. N Dividend and yield based on prospectus or other official estimates for 1976. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 24

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £325 per annum for each security

FINANCIAL TIMES
Wednesday May 5 1976

MP's death adds to committee conflict

BY RICHARD EVANS, LOBBY EDITOR

THE SUDDEN death yesterday of Mr. Hugh Delargy, chairman of the Commons Committee of Selection, has thrown into confusion the increasingly bitter conflict between the Government and the Opposition over manning of the standing committees which consider Government legislation.

Conservative leaders have decided to withhold threatened parliamentary guerilla tactics aimed at disrupting Government legislation, in the hope that a compromise formula will be reached which will give parity on standing committees after the Government's loss of an overall majority.

But the death of Mr. Delargy, 68-year-old Labour MP for Thurrock, has delayed formal talks between the parties. Tories immediately cancelled plans for a second debate last night, when they had hoped to reverse their six-vote defeat on Monday.

Ministers now have a brief respite to decide whether to reach a compromise with the Opposition or face the prospect of a blockade of Government legislation.

Unofficial agreements to end lengthy committee stages on the controversial Education Bill and the Aerospace and Shipbuilding Bill on May 13 have already been abandoned by the Tories.

If there is no compromise formula and the guerilla tactics reach serious proportions this summer, there will be an increasing prospect of an autumn election. Mr. Callaghan has already hinted that he might be forced to go to the country if the Government cannot get its legislation through.

The Committee of Selection plans to meet to-day to decide what to do following Mr. Delargy's death, and to discuss the composition of the committee for the Finance Bill, which receives its second reading on Monday night.

Mr. Delargy's death at Westminster Hospital came about 12 hours after he made one of the most controversial speeches of his long parliamentary career. As chairman of the Committee of Selection, he defended the decision to give Labour a majority of one on standing committees, in spite of the Government's loss of an overall majority.

He was under considerable strain because of angry protests from Conservative and other Opposition MPs that the manning of committees would have to be changed to give the Opposition parties parity. But he insisted that Labour members of the committee had not bent the rules or done anything dishonourable.

A senior Labour backbencher, Mr. Tom Swain (Derbyshire NE) declared emotionally yesterday: "The Tories killed Hugh Delargy. He was politically assassinated. This is something the Tories can never be forgiven for. He was doing something strictly right, according to his own conscience."

Mr. Humphrey Atkins, Conservative Chief Whip, stressed that differences had been political rather than personal, and he hoped the strains of the current controversy had not contributed to Mr. Delargy's death.

Similarly, in the Commons debate, Mr. John Peyton, Shadow Leader of the House, had emphasised that there was no argument about the honour or honesty of Mr. Delargy. Nothing reflected on his responsibility.

Mr. James Callaghan, the Prime Minister, said in a statement that he was shocked and deeply saddened to learn of Mr. Delargy's death.

"He was one of that generation of crusading journalist politicians who did so much to contribute to post-war democratic socialism. He will be sadly missed by all his friends and colleagues in all parts of the House."

Mr. Delargy, a well-liked, gentle Irishman, entered Parliament in 1945 as a Manchester MP, and transferred to Thurrock in 1950. His majority in a three-cornered fight in October, 1974, was over 19,000.

Parliament Page 15

Ministries split as 48-hour cod war limit is set

BY MALCOLM RUTHERFORD

THE GOVERNMENT last night set itself a limit of 48 hours to reach a decision on the next move in the cod war with Iceland.

It became more clear than before that there are serious divisions between the Ministries involved.

The announcement came after an emergency meeting in London between Ministers and representatives of the fishing industry.

Earlier in the day trawlermen had threatened almost immediate withdrawal from disputed waters unless full naval protection was restored. Mr. Fred Peart, Agriculture Minister, cabled trawlermen after the meeting to say that the decision on Royal Navy protection would be taken within 48 hours.

Reaction from the fishing industry was to ask skippers to stay in fishing grounds until the Government decision had been taken, although there were fears that under pressure of Icelandic harassment some skippers might ignore the request.

The difference in the Government is over the role of the Navy. The Defence Ministry, always a reluctant participant in the cod war, believes the risk to Royal Navy ships and crews is too great and is seeking to avoid direct contact with Icelandic gunboats.

According to the industry, this means that frigates are merely giving advance warnings of Icelandic attacks and are no longer trying to prevent them.

Catches fall

Catches have fallen drastically in the past few days and the number of trawlers on fishing grounds has been reduced from about 40 to 16.

The Foreign Office has continued its efforts towards a negotiated settlement, believed to be near when Mr. Roy Hattersley, Minister of State at the Foreign Office, visited Oslo at the end of last month.

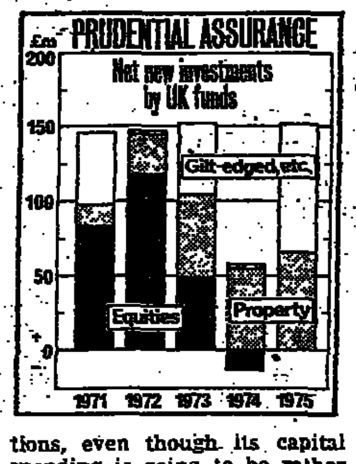
But the feelin glast night was that Iceland would have little incentive to settle when the relevant British Ministries appeared to be in such disagreement, among themselves and with the industry.

Fish limit call Page 7
Fishing industry survey, Pages 14 and 15

THE LEX COLUMN

Investment policy at the Pru

Index rose 1.6 to 420.8



The lure of gilt-edged proved strong for Prudential Assurance last year, as it did for most other institutions. The 1975 report shows that the Pru put nearly £100m. into gilts and with commitments remaining high in property there was precious little left over for equities. Net purchases of U.K. Ordinary shares, mainly through rights issues, appear to have been more than offset by the rundown of loan-financed holdings of overseas equities. But in terms of the year-end market value of its Ordinary Branch portfolios the pattern of investment has shown comparatively little change. At 29 per cent., the fixed interest proportion is below the average of recent years, and the main longer term shift has been in the growth of property holdings—worth only half as much as equities at the end of 1971, at a similar stage in the stock market cycle, but now accounting for 32 per cent. of assets against 39 per cent. for Ordinary shares.

The Pru explains about a third of its high investment last year in property—some £65m.—in terms of its support operations, of which Town and City must be the notable example. Another third represented prior commitments and the rest the taking of favourable market buying opportunities. Outgoings could, however, now ease back to the £40m. annual level in the next couple of years whereas the group's availability of funds for investment may rise near to £200m.

With this pattern being repeated, with minor variations, throughout the life insurance sector the opportunity for the Government broker is underlined. Indeed it looks as though the Prudential, which unusually for a life office increased its liquid assets in 1975 (by £30m. in the Ordinary Branch), was keeping something by for the January gilts spree. The message for equities is not particularly encouraging while the reverse yield gap remains so high.

GKN

Down by over a fifth in the second half of 1975, Guest Keen's profits are only marginally lower after the first quarter of 1976, and a major recovery for the year as a whole is implicit in the message accompanying the accounts. The group is at present only expecting to have a small net cash outflow on its existing operations, even though its capital spending is going to be rather higher at £70m. and net working capital could rise by, say, £50m. after remaining unchanged through 1975. The implication is that net cash flow is going to be substantially higher than last year's £70m.

Germany is about the strongest trading area at present. It accounts for roughly a fifth of trading profits prior to the Sachs acquisition which, assuming the deal goes through, will be having a measurable effect on earnings in the second half of this year. At home, last year's redundancies — which could have cost up to £10m. above the line—will now be having a favourable impact on operating costs, and the group still has a great deal of spare capacity in the shape of unused overtime. It also seems to be hoping that U.K. exports could rise by as much as a half in value to about 20 per cent. of domestic turnover.

So 1974's profits peak of just over £90m. pre-tax does not look especially daunting after last year's fall to £70m. After losing a little of their strength recently, the shares now yield 5 per cent. at 346p, where the market capitalisation is £435m.

Mothercare

Mothercare is now definitely emerging from its recent period of slower growth: pre-tax profits are a sixth higher in the second half for a rise of over 14 per cent. to £8.5m. in 1975-76 as a whole. Although margins have been pretty well maintained, the group has been affected by the recession as a sales increase of 17 per cent. takes in only about four points of volume growth and the prams and hardware side (a quarter of the total) has been particularly squeezed. While no real improvement is expected on this side in 1976-77, a greater impact is likely from the expansion into the 5-to-10 year old clothing range, just over 1 per cent. of sales last year but possibly rising to nearly 10 per cent. in the current period.

The main boost should come from the 15 per cent. increase in selling space last year, which mainly occurred after Christmas and made litle impact, and there will be a further rise of 13½ per cent. this year, spread more evenly. Progress could be smaller overseas this year though the German losses should be further reduced, and the Netherlands operation is expanding: the proposed U.S. acquisition is likely to make only a small contribution.

Overall, the market is talking about a rise of a fifth or more pre-tax which should put the group at or near the top of any retailing growth table and the balance sheet remains strong enough after a net cash inflow of about £1m. last year. While the shares have been firmer than for most of last year, a p/e of 14.5 at 188p is not high relative to a historic multiple a couple of points higher at British Home Stores.

Ashbourne

The Takeover Panel has been let off the hook by the surprise bid for Ashbourne Investments (which has been agreed by all the important parties) for it does not now have to worry about what it could have done to prevent Mr. Glazer and his associates from frustrating the Central and Sheerwood offer. Central will also be happy to be rid of what had become an extremely messy affair. And Mr. Glazer himself, who only a couple of weeks ago was released from his mandatory bid obligation, may also be content since he appears to have been granted most of his original objectives.

County Bank is making a cash bid of £1.8m. on behalf of a private company, which at present only has a nominal net worth. Holders of 45 per cent. of Ashbourne, including Mr. Glazer, will use their proceeds to buy equity in the private company, (although they will not be given voting control) Ashbourne's sizeable liquid assets will also help to reduce the gearing. Although this is a private deal, the fullest disclosure would obviously be wecome.

Labour faces call for sweeping changes in State and industry

BY PETER HENNESSY, LOBBY CORRESPONDENT

THE HOME POLICY committee of the Labour Party national executive agreed yesterday to forward to a full meeting of the NEC a week to-day a policy document which if accepted would involve substantial extension of public ownership into industry and agricultural land, and radical reshaping of Whitehall.

The committee spent over five hours considering the 80,000-word document, which will be substantially reduced before next week's meeting by a drafting committee of six, including three Ministers.

The chairman of the committee, Mr. Anthony Wedgwood Benn, Secretary for Energy, said Ministers from ten government departments had submitted comments on the proposals. He refused to be drawn on whether the Treasury had costed them. It is understood that if implemented they might add as much as £4bn. to current estimates of public spending.

The NEC is unlikely to reach a final decision on the document before its meeting on May 26. The full document will probably be published in Labour Weekly two days later. Should the NEC approve its contents, a two-thirds majority of the Labour Party Conference in the autumn would be required to ensure their inclusion in Labour's Programme 1976.

Even then there will be no guarantee that the far-reaching proposals would be included in the next Labour election manifesto. That would be a matter for a joint meeting of the NEC and the Cabinet to decide.

The committee also decided to put before next week's NEC a proposal from Mr. Eric Heffer, the Left-wing MP for Walton, that a referendum be held on devolution. It was agreed that the committee should concentrate its efforts next year on environmental matters and on refining Labour's attitude towards the EEC, though there is no question of the party going back on the result of last year's referendum on British membership.

The NEC will be asked to consider separately in July a document from the committee recommending a State takeover of the four clearing banks and six leading insurance companies.

State rescue of AEI Scientific discussed

BY MARGARET REID

A TAKE-OVER of GEC's loss-making instrument business, AEI Scientific Apparatus, by Combridge Instrument, the combined scientific instrument concern formed last year with State backing, has been discussed and conditionally agreed.

However, conclusion of the deal which would lift the threat of serious redundancies among AEI Scientific's 500 Manchester-based staff, is believed to depend on provision of further public money. This could be either through the National Enterprise Board, which has a 28 per cent. share stake in CI, or the Department of Industry, or both.

Mr. David Cole, joint chairman and chief executive of CI, said last night: "A proposal for a take-over of AEI Scientific by this company has been discussed in principle between us and GEC and a measure of agreement in principle has been reached."

The NEB stated later: "A proposal for the merger with state financial support is being prepared for submission to the NEB and the Department of Industry."

Should the NEB provide funds to promote the get-together of CI and AEI Scientific in a major new grouping of the British scientific instruments industry, it would be the NEB's first action of the kind parallel to the role of the former Industrial Reorganisation Corporation.

Encouraged

In the late-1960s, under an earlier Labour Government, the IRC acted to bring about the merger of major car-making interests in British Leyland Motor Corporation, whose successor, British Leyland is now almost entirely owned by the NEB. The IRC also encouraged the merger of GEC itself, which had taken over AEI, with English Electric.

A further merger within the scientific instrument industry has long been on the cards. When Cambridge Instrument was formed, with £4.5m. of Government support, last autumn from the merger of the private Metals Research with Scientific and Medical Instruments, a subsequent link with AEI Scientific was an acknowledged possibility.

Pressure for decisions on the possible merger is now strong, since it is widely thought that GEC is not willing to continue the loss-making AEI Scientific on its present scale indefinitely.

Concern in the North West led Mr. Winston Churchill, Conservative MP for Stretford, to ask in the Commons on Monday what representations the Government had had on implementing the policy of merging the principal U.K. companies in this field.

Mr. Alan Williams, Minister of State for Industry, said union representations had been received. "There is no Government commitment to a merger, but my Department is in discussion with the National Enterprise Board about a possible partner," he added.

Although a substantial measure of agreement in principle on a CI-AEI Scientific merger now exists, subject to conditions, important questions remain about the provision of more public funds, and the method by which they might be supplied.

The NEB itself, while it is empowered to make investments in share capital and could subscribe for new shares in CI—is not able to put up loan capital on cut-price interest rate terms. Should cheap loan funds be required to back the merger, recourse to the Department of Industry, under the Industry Act, would appear to be necessary.

The merger under discussion is the latest in a lengthy saga of State involvement in the scientific and control equipment industry.

In 1968, the IRC backed George Kent in a successful bid for the old Cambridge Instrument company. Later, Kent was split, its control equipment side linking with Brown Boveri of Switzerland, which became a controlling shareholder in Brown Boveri Kent, and its instrument side being hived off as Scientific and Medical Instruments, the latter receiving State backing.

Then, last year, the profitable Metals Research took over the loss-making SML, the combined concern backed with £4.5m. of Government cash, being renamed Cambridge Instrument. A takeover of AEI Scientific by CI with public backing would carry the process of State-encouraged rationalisation further.

Chrysler U.K. £35m. loss not funded under rescue deal

BY LORNE BARLING

CHRYSLER U.K., which is being propped up by a £162m. Government support operation, yesterday announced a net loss of £35.5m. for 1975, double the loss of the previous year.

Mr. John Riccardo, Chrysler's chairman, gave little hope for immediate optimism, pointing out that a significant loss was also expected this year as a result of redundancies and reorganisation.

"Current efforts are being directed towards the company returning to profitable operation during subsequent years," he said. Mr. Don Lander, managing director of Chrysler U.K., said recently that the company should be marginally profitable next year.

The preliminary statement stresses that the loss is not being funded under the Government agreement, but by short-term borrowings. These have been stabilised by the medium-term loan facilities in the agreement, the company claimed.

Since the agreement, the company has insisted that the money being made available, mainly for capital investment, is sufficent to stabilise the company. A sum of £40m. is available to cover losses for this year, with an additional £20m. which could be provided jointly by the Government and the Chrysler Corporation.

The figures showed that total revenue for the year was £351m., compared with £313m. in 1974, and are accompanied by generally optimistic comments by Mr. Riccardo.

"The company is confident, on the most conservative forecasts, that there will be growth both in this country and in Western Europe generally in the next four years," he said. It was intended that both domestic and export sales would increase, particularly to Iran, in 1977 when new facilities there were completed.

Chrysler has already placed orders for equipment worth £26.5m. intended for the modernisation of its plants at Ryton, Linwood and Dunstable, and the development of a new range of cars and other vehicles.

Two loans for £27m. and £28m. have been made available for capital investment, the first guaranteed by the Chrysler Corporation and the second a charge on Chrysler U.K. assets.

On the labour side, the rescue scheme demanded redundancy for 8,000 workers which, on an average saving of £3,000 per job, will hopefully save the company £35m. a year when fringe benefits are taken into account.

Weather

U.K. TO-DAY

CLOUDY, brighter later.

London, S.E. and Cent. S. England, East Anglia, Midlands

Becoming brighter with showers. Wind S.E. veering S.W., light or moderate. Max. 15C (59F).

Channel Islands

Bright intervals, showers. Wind S. verring S.W., light or moderate. Max. 14C (57F).

S.W. England, Wales

Becoming brighter, rain later. Wind S.E. veering S.W., light or moderate. Max. 12C (54F).

E., N.W. and Cent. N. England, N. Wales

Cloudy, rain. Wind S.E. backing N.E., light or moderate. Max. 11C (52F).

Lakes, Is. of Man, N.E. England

Cloudy, rain later. Wind light variable becoming N.E. light. Max. 10C (50F)

Borders, Edinburgh, Dundee, Aberdeen, S.W. Scotland, Glasgow, Highlands, Argyll, Ireland

Sunny intervals, showers. Wind, light variable. Max. 10C (50).

Moray Firth, N.E. and N.W. Scotland Orkney, Shetland

Sunny intervals, after early frost. Wind, light variable, becoming S.E. light. Max. 8C (46F).

Outlook: Becoming dry. Rain later in W.

Lighting-up: London 20.59, Manchester 21.15, Glasgow 21.32, Belfast 21.34.

BUSINESS CENTRES

	Y'day Mid-day	°C	°F		Y'day Mid-day	°C	°F
Alexandria	C	28	82	Madrid	S	21	70
Amsterdm.	C	11	52	Manchstr	C	12	54
Athens	F	20	68	Melbourne	C	15	59
Barcelona	S	16	61	Milan	S	23	73
Belfast	C	11	52	Montreal	C	6	43
Belgrade	F	18	64	Moscow	R	9	48
Berlin	C	11	52	Munich	R	10	50
Birmghm.	C	13	55	Newcastle	C	9	48
Bristol	F	13	55	New York	C	7	45
Brussels	C	11	52	Oslo	C	14	57
Budapest	F	12	54	Paris	F	16	61
B. Aires	S	22	72	Perth	S	25	77
Cairo	S	32	90	Prague	S	18	64
Cardiff	F	13	55	Reykjavik	S	-1	30
Cologne	F	13	55	Rome	S	18	64
Copnhagn.	R	7	45	Singapore	C	27	81
Dublin	C	12	54	Stockholm	C	9	48
Edinbrgh	C	10	50	Strasbourg	F	18	64
Frankfurt	F	16	61	Sydney	S	22	71
Geneva	C	17	63	Tehran	S	24	74
Glasgow	S	13	55	Tel Aviv	C	22	72
Helsinki	F	12	54	Tokyo	R	12	54
Hong Kg.	C	25	77	Toronto	C	7	45
Jo'burg	C	16	61	Vienna	F	16	61
Lisbon	C	17	63	Warsaw	C	15	59
London	F	15	59	Zurich	F	12	54
Luxmbrg.	F	12	54				

HOLIDAY RESORTS

	Y'day Mid-day	°C	°F		Y'day Mid-day	°C	°F
Ajaccio	S	18	64	Jersey	C	11	52
Algiers	F	19	66	Las Plms.	C	20	68
Biarritz	S	21	70	Locarno	S	22	72
Blackpool	F	11	52	Luxor	C	37	99
Bordeaux	F	19	66	Majorca	S	20	68
Boulogne	C	10	50	Malaga	S	19	66
Casablnca.	S	20	68	Malta	F	20	68
Cape Tn.	C	20	68	Nairobi	S	22	72
Corfu	S	22	72	Naples	F	18	64
Dubrovnik	C	17	63	Nice	S	18	64
Faro	S	19	66	Nicosia	C	28	82
Florence	S	20	68	Oporto	C	15	59
Funchal	C	19	66	Rhodes	F	24	75
Gibraltar	S	19	66	Salzburg	C	14	57
Guernsey	R	9	48	Tangier	F	17	63
Innsbruck	F	19	66	Tenerife	S	15	59
Inverness	C	8	46	Tunis	S	22	72
Is. of Man	S	12	54	Valencia	S	22	72
Istanbul	F	18	64	Venice	S	19	66

S—Sunny. F—Fair. C—Cloudy. R—Rain.

Continued from Page 1

Pay deal

demanding an improvement in company profits, the Prime Minister told MPs: "We have a very large private sector that must be allowed to make adequate returns on its investment."

Mr. Callaghan said he did not believe that the price code was discouraging investment or job creation, but industry needed to be given the necessary incentives to invest.

Pressed by Mrs. Thatcher and other Tory MPs for more information about the form of the pay agreement being negotiated with the TUC, Mr. Callaghan replied: "It will have the impact of substantially reducing the level of inflation during the year beginning next August."

Overwhelming support for the emerging policy came yesterday from delegates representing 105,000 members of the Institution of Professional Civil Servants and 90,000 members of the National Union of Agricultural and Allied Workers.

Continued from Page 1

Benn oil talks

special responsibility for the development of North Sea energy. He will also be a member of the negotiating team.

Ray Dafter, Energy Correspondent, writes: The change in the negotiating team comes at a vital time in the participation talks.

Although the Government has signed a number of agreements, they have been mostly with smaller offshore operators; groups in which the State already had a good deal of leverage. For example, the Tricentrol deal was tied in with Government guarantees for up to £60m. worth of bank loans.

Perhaps the most important deal to be concluded to date—the one involving Gulf and Continental Oil—was expected as the groups are already in exploration partnership with the British National Oil Corporation.

The Government has still to conclude deals with the major North Sea operators, including British Petroleum, Shell and Esso. BP is reported to be actively negotiating a participation agreement while Esso has said in public it prefers not to volunteer for an arrangement.

In general, Mr. Wedgwood Benn's new involvement in the negotiations has had a muted response from the oil industry which has found the Energy Secretary to be less of a thorn in the flesh than they might have originally feared.

Some oil executives welcomed the change as a rational move. It was better, they said, for all oil industry negotiations to be kept under one roof rather than split between various Government departments.

Up to now the terms have been more conciliatory than some companies had expected—the Government agreeing to take a 51 per cent. option on oil produced from a field as a whole rather than insisting on a majority stake in each of the licensees' interests.

It has also agreed that the British National Oil Corporation should take up its option by buying the oil at market value.

The Energy Secretary will be ultimately responsible for negotiating participation terms, the future refining policy and ultimate depletion controls, all of which are interdependent and likely to influence the speed with which the oil industry continues its exploration and development of North Sea energy.

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